

International Capital  
Management Corp (ICMC)  
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CRD #108466

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This brochure provides information about the qualifications and business practices of International Capital Management Corp. Please contact our Chief Compliance Officer, MaryJane Adams, if you have any questions about the contents of this brochure. The information in this brochure has not been approved or verified by the SEC or by any State Securities authority.

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# **1. About Our Advisory Business**

Since 1974, International Capital Management Corp (ICMC) has provided investment management and financial advisory services. Our client base includes high net worth individuals and entrepreneurs. Our office is located in Dallas, Texas.

## **Our Philosophy**

As a client of ICMC you benefit from our entire team of professionals. Clients of ICMC are clients of the firm, not an individual investment professional. ICMC utilizes a team advisory approach to maximize effectiveness and responsiveness.

Our team undergoes continual training in order to stay ahead of the ever-changing investment environment. ICMC's Management Team consists of:

### **Ralph B. Heffelman**

**ICMC Founder, President, Chief Executive Officer, and Chief Investment Officer**

Mr. Heffelman has over 35-years of experience as an investment analyst, financial advisor, and portfolio manager. As head of the Investment Committee, he has provided investment management and financial advisory services to clients for over thirty years.

In addition to providing these investment management services and other sophisticated financial advice, his broad-based and extensive financial background allows him to offer other services, such as business acquisition or divestiture counsel and business valuation.

Mr. Heffelman also serves as the Chairman of the Board of Directors.

Prior to forming ICMC, he was a securities analyst for Glore, Forgan and Staats in Los Angeles and Rauscher Pierce Securities in Dallas.

### **MaryJane Adams**

**Vice President, Corporate Treasurer, Chief Operating Officer, Chief Compliance Officer, and Chief Financial Officer**

Ms. Adams makes major contributions in the analysis, evaluation, monitoring, and reporting of alternative investments. She is in charge of operations and handles the formation, ongoing financial accounting, and tax reporting for ICMC's alternative investments. She supervises the preparation of financial plans, which include a client's balance sheet, cash flow statements, income tax liability, retirement needs, insurance analysis, and education and estate plans.

Ms. Adams has over 30-years of experience in corporate and partnership financial and tax accounting and cash management. Her experience includes

structuring, analyzing, and managing both public and private partnerships. She joined ICMC in January of 1990, became a shareholder in 1995 and joined the Board of Directors in 2005.

### The Investment Committee

The Investment Committee is comprised of the Chief Investment Officer, Portfolio Manager(s), Research Analyst(s), and Risk Manager. The Committee meets at least twice per month to discuss and review world markets, inflation, currency influences and any other economic or financial issues. In addition, they discuss the portfolio strategies and existing positions in the client's accounts.

The Investment Committee consists of the following members:

#### Ralph B. Heffelman

ICMC Founder, President, Chief Executive Officer, and Chief Investment Officer

See Bio under Management Team, page 1.

#### Tahar Mjigal

Director of Risk Management

As a member of the Investment Committee, Mr. Mjigal provides valuable research, technical analysis, and risk control discipline to the portfolio management process.

He earned a B.S. in Engineering Statistics and Applied Economics from the National Institute of Statistics in Rabat, Morocco.

Mr. Mjigal received an MBA with an emphasis in Finance and International Business from Oklahoma City University, Oklahoma. He completed his thesis on Portfolio Risk Management. Prior to joining ICMC, Mr. Mjigal worked as an analyst for Morgan Stanley Dean Witter.

### Fees and Compensation

#### Discretionary Management Fees

ICMC's fees for its investment management services are determined in accordance with the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Amounts up to \$1,000,000	1.95%
Amounts in excess of \$1,000,000	1.5%
Amounts in excess of \$2,500,000	1.25%
Amounts in excess of \$5,000,000	0.95%
Amounts in excess of \$10,000,000	Negotiated

ICMC's investment management fees are billed quarterly, in advance, and are prorated for periods of less than one quarter and computed on the valuation of assets under management on the last day of the prior quarterly period. In the event of the termination of our services, any unearned portion of fees previously paid is prorated and fully refunded. A client may terminate an agreement with us at any time by written notice to us.

#### Fund Management Fees

ICMC has formed limited partnerships specifically to provide its clients and qualified clients of other financial advisors a vehicle to invest in assets such as real estate, hedge funds, venture capital, hi-yield strategies, and natural resources. ICMC manages the partnerships and spends whatever time is necessary to see that matters pertaining to the partnerships are properly handled. These partnerships make it possible for these clients to have access to investment opportunities which might otherwise be either inaccessible or beyond a specific client's individual capacity. Additionally, these partnerships provide the client the opportunity for portfolio diversification with a smaller amount of assets.

ICMC receives no sales commissions for these partnerships. The cost of the formation including legal expenses is borne by ICMC. However, ICMC receives an organizational fee from the partnerships and the fee may be more than the actual costs, resulting in a profit for ICMC. In addition, as general partner, ICMC receives an ongoing management fee and sometimes incentive fees for its services as specified in the partnership agreement(s) and paid by the partnership. The client's interests in the partnerships are excluded from their assets under management for billing purposes to assure that there is no double billing.

#### Cash Management Fees

ICMC is paid 25 basis points on assets under management for the cash managed accounts. This fee is paid by the funds used, not by the client. In addition, ICMC will charge the client a consulting fee for services outside of the scope of managing the portfolio. The consulting fees are billed on an hourly basis ranging from \$200.00 per hour to \$625.00 per hour, depending on the skill and experience level of the staff member performing the service. Fees for accounts of \$25,000,000 or over are negotiable.

#### Financial Advisory Fees

The fee for advisory services is an annual fixed fee ranging from \$100.00 per month to \$500.00 per month. The fee is determined by the scope and complexity of the client. These fees are billed quarterly, in advance. Advisory fees are reviewed annually for each client and may be adjusted up or down as required. Additionally, a one-time fee is charged up front for the initial setup and comprehensive plan.

## **2. Types of Clients**

ICMC provides investment management and financial advisory services to individuals, trusts, estates, charitable organizations, and corporations or business entities.

## **3. Types of Investments**

ICMC offers several types of investments to its clients and may invest in a wide range of securities and other financial instruments including:

- Equity securities, exchange listed securities
- Warrants
- Corporate debt securities
- Commercial paper
- Certificates of Deposit
- Municipal securities
- Investment company securities
  - Variable life insurance
  - Variable annuities
  - Mutual funds
- U.S. government securities
- Options contracts on securities
- Interest in Partnerships
  - Real Estate
  - Natural Resources
  - Venture Capital
  - Hedge Funds
  - Hi-Yield Strategies

## **4. Analysis, Sources of Information, and Investment Strategies**

### **Security Analysis**

ICMC's security analysis methods include fundamental analysis, technical analysis, and cyclical analysis.

### **Sources of Information**

The main sources ICMC uses include financial newspapers and magazines inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC, and company press releases.

## Investment Strategies

ICMC employs a broad range of investment strategies to implement the investment advice we give to our clients including: long term purchases (securities held at least a year), short term purchases (securities sold within a year), short sales, margin transactions, and option writing including covered options, uncovered options, or spreading strategies.

Additionally, ICMC believes that diversification and asset allocation are essential elements in the design and implementations of its clients' portfolios and investment management services. ICMC believes that skillfully orchestrated asset allocation techniques can both reduce risk and volatility while simultaneously increasing long term potential returns.

## **5. Education and Business Standards**

ICMC has general standards of education or business experience that is required of those involved in determining or giving investment advice to clients. Depending upon the position within ICMC's firm, educational and business requirements vary. Typically, persons hired to perform the Financial and Investment Services for its clients must possess at a minimum a Bachelor's Degree or equivalent and between five (5) and ten (10) years of direct business experience unless they are supervised by a person with such qualifications.

## **6. Education and Business Background**

Ralph B. Heffelman, born 1936, graduated from the University of Arizona with a BSME in 1960. Post graduate studies at UCLA in mathematics, control systems, finance, accounting, economics, and management. Successfully completed two of three study and examination requirements towards accreditations of the professional designation of a Charter Financial Analyst (CFA). Founder/Owner, President, Chief Executive Officer, and Chief Investment Officer of ICMC from 07/74 to present.

MaryJane Adams, born 1955, attended Brookhaven Jr. College (2 years) and University of Texas-Arlington (2 ½ years) with a major in Business Administration-Finance Concentration. She has over 30 years experience in corporate and partnership financial and tax accounting and cash management. Her experience includes structuring, analyzing, and managing both public and private partnerships. Employed by ICMC from 01/90 to present, VP/Treasurer, and Chief Financial Officer since 1993 and became shareholder, Chief Operating Officer, and Chief Compliance Officer in 1995.



Tahar Mjigal, born 1966, received a B.S. in Engineering Statistics and Applied Economics from the National Institute of Statistics in Rabat, Morocco, and a MBA with an emphasis in Finance and International Business from Oklahoma City University. He completed his thesis on Portfolio Risk Management. Mr. Mjigal joined ICMC in 04/00 as a Technical Analyst and Trader.

## **7. Other Business Activities**

ICMC recommends and offers its limited partnerships to its accredited investment clients as well as its accredited transactional clients. The partnerships are formed as part of ICMC's investment strategies to utilize the alternative asset classes and to pool the clients funds to take advantage of the opportunities available to institutional type investors. In most cases, the minimum investment size is too large for an individual to invest directly, so by pooling the funds, the partnership(s) can make the investment on behalf of the clients. ICMC serves as general partner with a minimum of 1% GP interest in the partnership(s). In addition, ICMC and its officers can invest in the partnership(s) direct as a limited partner.

Since the partnerships are an integral part of ICMC's investment strategies in managing money for its clients, approximately 40% of the staff's time is spent on manager due diligence, selections of investments, monitoring, and reporting of the partnerships.

## **8. Other Financial Affiliations**

ICMC does not have any financial affiliations or arrangements with any other companies or firms. However, ICMC or a related person is the general partner of partnerships in which clients are solicited to invest. ICMC has in the past and may in the future organize limited partnerships and offer an interest of the partnership to its clients for whom, in ICMC's sole judgment, it is suitable.

The partnerships currently offered to ICMC clients are:

ICMC Hi-Yield Strategies Fund, Ltd. – a fund of funds that invest in a portfolio of high dividend or interest paying securities and investments. Investments include convertible securities, equipment leasing, global credit arbitrage, short term purchase money loans to real estate developers and mezzanine loans.

ICMC Natural Resources Fund, L.P. - a fund of funds that invest in a portfolio of natural resources including base metals, natural gas, oil, precious metals, timber, water, and currencies.

ICMC Phoenix Venture Fund, Ltd – invests approximately half of the Fund’s assets to private equity and the remaining balance to small and micro-cap public equities.

ICMC Strategic Asset Fund, Ltd. – a fund of funds multi-strategy hedge fund. Strategies include event driven, futures, global macro, convertible risk arbitrage, long/short-global large cap equity/net long, long/short-U.S. equity/net long, long/short-international equity/net long, long/short-biotechnology/net long, and long/short-real estate.

ICMC Tactical Return Fund, Ltd – a fund of funds aggressive strategy hedge fund. The Fund is invested with a micro-cap manager, a small cap manager, a technology sector hedge fund, a distressed debt manager, a long/short China focused hedge fund, and a long/short global equity manager.

The closed partnerships that ICMC clients are invested in are:

ICMC Venture Investment Partners, L.P. – invests in both private and public businesses that include leverage buyout, mezzanine financing, and venture capital. A maximum of 25% of capital may be invested in emerging growth and/or start up companies.

ICMC Real Estate Acquisition Partners, L.P. – invests in a portfolio of real properties. Investments include strip shopping centers, small office buildings, residential lot subdivision and development, underdeveloped land, and public/private REITS.

ICMC Realty Partners, L.P. – invests in a portfolio of real properties investments including strip shopping centers, small office buildings, residential lot subdivision and development, underdeveloped land, and public/private REITS.

ICMC Global Real Estate Fund, L.P. – invests in real estate investments internationally, including both developed and emerging markets. Approximately 20% of the contributed capital may be invested in opportunities located within the U.S. borders. In the U.S. the fund’s investments will be invested in to-be-developed (value added) multi-family, hotels, industrial, office, retail and warehouse. Internationally, the fund will have a combination of value-added and speculative investment in developed, developing, and underdeveloped properties located in or near existing, developing or prospective resort areas including mountain and coastal locations.

## **9. Participation or Interest in Client Transactions**

ICMC, in certain cases, by prior agreement and with full disclosure to its clients will agree to take a portion of its compensation in the form of an incentive fee or interest, after clients have received a return of their invested capital and in

some cases a hurdle return. This allows ICMC to reduce its up front fees and to share in both the risk and rewards of the investment. From time to time, ICMC and/or its principals will buy and sell securities for themselves that the firm has recommended to its clients. In such cases, internal policies require that any such transaction must occur either simultaneously or following that of its clients.

## **10. Conditions for Managing Accounts**

ICMC provides investment supervisory services, manages investment accounts, and provides financial planning/advisory services to its clients and imposes a minimum dollar value of assets or other conditions for starting or maintaining an account.

### **Minimum Account Size**

ICMC generally requires a minimum \$1,000,000 amount of assets for the establishment of an investment management account. Under certain circumstances and at the sole discretion of ICMC, the minimum may be waived.

### **Investing in Alternative/Partnerships**

Clients have to be an accredited investor as defined in Regulation D of the Securities Act of 1933 to invest in the ICMC partnership(s). In addition, the minimum investment in the partnership(s) is determined by the partnership(s) documents and agreements.

## **11. Review of Accounts/Reporting**

ICMC, at least once per year or if significant contributions/withdrawals are made in the account, reviews each client's account and asset allocation, as well as the suitability to the client's objectives and constraints. If necessary, the accounts/portfolios are rebalanced to conform to the asset allocation. Financial/Investment analysts or managers do all of these reviews. There is no specific limitation on the number of accounts each manager can handle.

Every quarter, the Chief Compliance Officer and Chief Investment Officer reviews the performance of the like portfolios (ie. Aggressive Growth, Growth, Growth & Income) for consistency in portfolio management.

The Chief Compliance Officer reviews the cash balance report on a weekly basis to identify any large or unnecessary cash balances.

ICMC provides its clients with a stream of reports during the course of the year. ICMC attempts, depending upon the willingness of the client, to meet with the investment manager clients quarterly, but at least annually, to discuss their portfolios, Investment Policy Statement, and Asset Allocation (the most recent available valuation of each security in clients various portfolios), and Performance Report for the period and year to date. In addition, ICMC prepares

quarterly Status Reports on the non-discretionary (alternative) investment it manages at the end of each quarter and/or bi-annually. If the client does not want to meet, whether in person or by telephone conference, we will mail the reports to the client for their review and files.

We meet with our planning clients at least once per year or more frequent if warranted and provide a Net Worth Statement, Cash Flow Statement, and Retirement Analysis. Other reports are provided on an as need basis.

Charles Schwab, the custodian for ICMC client accounts, sends a monthly statement to each client. In addition, ICMC posts each client's Portfolio Appraisal on the web page monthly for the client's review. In order to access their report on the web page, they have to setup an individual secured password.

## **12. Brokerage Practices**

ICMC or a related person does suggest brokers to clients. ICMC looks primarily to unrelated third party sources for investments of the type suitable and appropriate for its clients. A most important source is commissioned securities brokers working for various broker dealers. A small and very select group of brokers are frequently compensated for their efforts in finding screening, and in certain cases, even performing some secondary research for ICMC, resulting in clients of ICMC acquiring a security or an interest in a security through them on a commission basis. Clients of ICMC are not bound to acquire any security or interest in a security through the broker that provided these services to ICMC. The brokers, by prior agreements, understand that ICMC does not require its clients to effect any transaction through them and thus, in certain cases, may not be compensated for their services. This is a condition established by ICMC, with any broker, in order for that broker to do business with ICMC. Typically, clients of ICMC do not pay commissions higher than those obtainable from other brokers and, in fact, sometimes pay reduced brokerage commissions where allowable. If a client has an existing relationship with a broker, ICMC will use that broker for the client's transactions.

### **Soft Dollar Arrangements**

Since ICMC's services are fundamentally based, ICMC looks to brokers as a source of information and research. We do not expect brokers to execute client transactions at the absolute lowest commission level. However, ICMC has a policy of avoiding soft dollar arrangements and currently do not have any such arrangements other than the research that falls within the Section 28(e) Safeharbor of the Securities Exchange Act of 1934.

## **13. Client Referrals**

ICMC has relationships with other professionals (ie: attorneys, C.P.A.'s, insurance agents, etc.) and from time to time these professionals will refer clients to ICMC. In some cases, when appropriate, ICMC will enter into an agreement

and pay a referral fee. If a fee is paid, it is done so out of ICMC's management fee and is not an additional fee charged to the client.

## **14. Financial Information**

ICMC is not required to provide a balance sheet for the most recent calendar year. ICMC does not have custody of the client funds or securities and does not require prepayment of client fees six (6) or more months in advance.

## **15. Code of Ethics**

An ICMC employee should conduct himself with integrity and dignity and act in an ethical manner in his dealings with the public, clients, customers, employers, and fellow employees.

An ICMC employee should conduct himself and should encourage others to practice business in a professional and ethical manner that will reflect credit on himself and his profession.

An ICMC employee should act with competence and should strive to maintain and improve his competence and that of others in the profession.

An ICMC employee should use proper care, due diligence, and exercise independent professional judgment.

### **Standards of Professional Conduct**

An ICMC employee shall maintain knowledge of and shall comply with all applicable laws, rules, regulations of any government, government agency, and regulatory organization governing his profession, financial, or business activities, as well as with these Standards of Professional Conduct.

### **Prohibition Against Use of Material Non-Public Information**

An ICMC employee shall comply with all laws and regulations relating to the use and communication of material non public information. An ICMC employee's duty is generally defined as to not trade within possession of, nor communicate, material non public information in breach of duty, or if the information is misappropriated.

Duties under the standard include the following: (1) If the employee acquires such information as a result of a special or confidential relationship with the issuer or others, he shall not communicate the information or take investment action on the basis of such information, if it violates that relationship. (2) If the employee is not in a special or confidential relationship with the issuer or others, he shall not communicate or act on material nonpublic information if he knows, or should have known that such information (a) was disclosed to him or would result in a breach of duty or (b) was misappropriated. If such breach of duty exists, the

employee shall make reasonable efforts to achieve public dissemination of such information.

### Portfolio Investment Recommendations and Actions

An ICMC employee shall, when making an investment recommendation or taking an investment action for a specific portfolio or client, consider its appropriateness and suitability for such portfolio or client. In considering such matters, the employee shall take into account (a) the needs and circumstances of the client, (b) the basic characteristics of the investment involved, and (c) the basic characteristics of the total portfolio. The employee shall use reasonable judgment to determine the applicable relevant factors.

The employee shall distinguish between facts and opinions in the presentation of investment recommendations.

The employee shall disclose to clients and prospective clients the basic format and general principles of the investment process by which securities are selected and portfolios are constructed. The employer shall promptly disclose to clients any changes that might significantly affect those processes.

### Prohibition Against Misrepresentation of Services

The employee shall not make any statements, orally or in writing, which misrepresent (1) the services that the employee or his firm is capable of performing for the client, (2) the qualifications of such employee or his firm, and/or (3) the expected performance of any investment.

The employee shall not make, orally or in writing, explicitly or implicitly, any assurance about or guarantees of any investment or its return except communication of accurate information as to the terms of the investment instrument and issuer's obligations under the instrument.

### Personal Securities Transactions and Holdings

All employees of ICMC are required to report their personal transactions and holdings on a quarterly basis to the Chief Compliance Officer for review.

## **16. Custody**

The firm never has custody of its client's assets. The client's assets are held with a third party custodian, currently National Financial Services, LLC, a division of Fidelity Investments. Clients will receive monthly account statements directly from the custodian.

## Discretionary Accounts

All securities are registered in the name of the client and are transmitted directly to the custodian. Cash deposited into client's accounts should be in the form of checks made out to the custodian and never to our firm. Should checks arrive which are for deposit to the client's account and are made out to our firm the check is to be returned to the client immediately with written instructions to be made out directly to the custodian.

The firm has been granted limited power of attorney by its clients. This permission allows selected personnel (authorized traders only) to place trades on behalf of the client in his/her account without prior approval of the client. Further, the firm has permission from its clients to direct the custodian to deduct client's fees directly from the account, providing an invoice is sent before or simultaneously to the client informing him/her of the exact fee and how it was calculated.

Nowhere is the firm allowed to transfer assets or cash from a client's account to another party. Our firm may instruct the custodian to move funds to another account bearing the same name, or issue a check to the client and mailed to the address of record. We may not instruct the custodian to issue checks to a third party, which includes family members, a spouse not named on the account, or to the firm.

## Alternative Partnerships

All of the ICMC managed partnerships have their own checking and broker/custodian accounts in their name. Never are the funds commingled with each other and/or with ICMC.

All fees and/or reimbursements paid to ICMC are reviewed and approved by an independent third party (Ron Brown-our securities attorney with Andrews Kurth). Upon approval, a letter with the appropriate documentation is sent to the bank for transfer of payment.

All of the partnerships (fund of funds) are audited by an independent accounting firm and the audited financial statements are mailed to the partners within 180 days from the fiscal year end.

The tax returns are also prepared by an independent tax accountant.

## **17. Proxy Voting Practices**

ICMC manages money to benefit clients over a long-term time horizon. Therefore, our policies and procedures are designed to ensure proxies are voted in the client's long-term interest and in accordance with our fiduciary duties.

The portfolio manager(s) and/or analyst(s) will perform the research and vote the clients proxies. ICMC has designated the Chief Investment Officer and Chief Compliance Officer to monitor the ongoing policies and procedures and in addition will review the voting process and vote records on an annual basis.

Each proxy vote is cast on a case-by-case basis taking into consideration all relevant facts and circumstances at the time of the vote. ICMC's decision takes into account its knowledge of each company/fund, its management, independent third party research, and information presented by company management and shareholder groups.

In the event that a material conflict of interest might arise in voting a client's proxy, ICMC will inform any affected client of the potential conflict in advance and mutually agree on an acceptable basis of handling the potential conflict. ICMC will do everything in its power to resolve any material conflicts involving proxy voting in the best interest of its clients.

ICMC will maintain accurate proxy voting records in an easily accessible place for a period of five years, on site for at least two years. The records retained may include:

- 1) Proxy statements received regarding client securities,
- 2) A record of each vote cast,
- 3) A copy of any document created by us in making a decision on how to vote, and
- 4) Each written client request for proxy vote records and our response.

## **18. Privacy Notice**

Keeping client information secure is a top priority at International Capital Management Corp (ICMC). ICMC values its clients and protects the confidentiality of information that we receive.

We gather information about our clients to assist with their financial and investment needs. The information we collect comes from a client questionnaire completed by the client and other source documents (i.e. statements, insurance policies, etc.) provided to ICMC by the client. No information is obtained from nor disclosed to third parties without the client's authorization. Authorized disclosures could include other professionals such as attorneys, C.P.A.'s, insurance agents, etc., who assist us in providing services to the client.

We treat all information received in a confidential manner and have rigorous physical, electronic, and procedural safeguards in place to protect client records. We will permit only authorized employees who need the information to provide our services to the clients to have access to client information and only on "as needed" basis. Employees who violate our Privacy Notice policies will be subject to our normal disciplinary process.

We will not reveal any non-public personal information about our clients to anyone, unless specifically directed to do so by the client or as required and permitted by law. However, information may be disclosed to regulatory agencies for audit purposes.



Exhibit A

Conflicts of Interests/Risks			
Potential Conflicts/Risks	Measures to Mitigate Risk	Disclosures	
Allocation of Investment Opportunities Among Clients	ICMC consciously invests client money into vehicles (mutual funds, fund of funds) that are not constrained by capacity. Each client has the opportunity to participate in every investment approved by ICMC. The only exception to the above statement is the inability to invest in the fund of funds/partnerships due to legal and/or accreditation constraints.		
Side by Side Management of fund of funds and traditional discretionary accounts.	ICMC's fund of funds/partnerships are a part of our overall investment strategy. We manage money based on asset allocation utilizing up to ten asset classes, five of those asset classes falling in the alternative investments (i.e. Hedge Funds, Hi-Yield, Natural Resources, Real Estate, and Venture Capital). ICMC pools its clients fund for those asset classes into a fund of funds vehicle to allow the client to have exposure to larger investment opportunities with greater diversification.	Disclosures in Fund of Funds/Partnership Private Placement Memorandum and in advisors Form ADV Part II.	
Partnership Recommendations to Clients	ICMC does not have discretion over the client's partnership investments; however, ICMC does have considerable influence in the client's decision to invest in the ICMC partnerships / funds of funds.	Since ICMC's partnerships / fund of funds is part of their overall investment strategy, the decision for clients to invest in ICMC's partnerships / funds of funds is triggered by the client's overall asset allocation model. In most cases, only a maximum of 70% is the required allocation of the asset class that is recommended into ICMC partnership / fund of funds. The remaining allocation would be invested in the liquid proxies. ICMC does not make recommendations to its clients to invest in ICMC partnerships / fund of funds for any reason other than stated above.	
Performance Fees Charged	ICMC only charges a performance on some of its fund of funds/partnerships. The performance fee is calculated by a third party and is reviewed by securities attorney and CCO. ICMC does not charge any client a performance fee on the discretionary portfolios.	Disclosed in Private Placement Memorandum and Limited Partnership Agreements. Also, disclosed on Form ADV Part II.	

Advisers Affiliation with Broker Dealer or Issuers of Securities		ICMC does not have a broker dealer affiliation nor does it use a third party marketers for its funds.	
Valuations of Illiquid Assets		The valuations are calculated by a third party using information provided by the underlying managers. In cases where ICMC does not have the information the investments will be carried at cost.	
Proprietary Trading/Personal Trading		ICMC's policy is that any personal trades are done either simultaneously or after the client trades. ICMC does not have any proprietary or before/after market trading. ICMC predominantly uses mutual funds and/or fund of funds.	Disclosed on Form ADV Part II
Side Letter Agreement		ICMC does not have a side letter agreement with its clients.	
Using Client's Assets to get Products and Services		ICMC's policy is to not enter into any soft dollar arrangement except research that falls within the safeharbor.	Disclosed on Form ADV Part II
Multiple Roles of CCO		MaryJane Adams, the CCO, is also the COO, a shareholder, and a member of the Board of Directors.	The CCO has the outside securities attorney that reviews anything that might cause a conflict of interest and her areas of responsibilities as the CCO.

## Exhibit B

### Assets Under Management

ICMC is eligible for registration with the Texas State Securities Board as a result of having assets under management of less than \$100 million (in U.S. dollars).

The assets under management as of 1/31/12 is:

Discretionary	\$ 45,294,697
Non-Discretionary	\$ 26,909,725
Cash Management	<u>\$ -0-</u>
Total	\$ 72,204,422