

International Capital
Management Corp (ICMC)

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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 at maryjane@icmc.com or (972) 387-0660 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.

Additional information about International Capital Management Corporation also is available on the SEC's website at www.advisorinfo.sec.gov.

Material Changes

The United State Securities and Exchange Commission recently published “Amendments to Form ADV” which amends the disclosure document that we provide to clients. This Brochure dated March 2012 is a new document prepared according to the SEC’s new requirements and rules. As such, this brochure is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have delivered information about our qualifications and business practices to clients on at least an annual basis. We will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting MaryJane Adams at MaryJane@icmc.com or (972) 387 0660.

Additional information about International Capital Management Corp. is also available via the SEC’s website www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with International Capital Management Corp. who are registered, or are required to be registered, as investment adviser representatives of International Capital Management Corp.

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Item 4 Advisory Business

Since 1974, International Capital Management Corp (ICMC) has provided investment management and financial advisory services. Our client base includes individuals and high net worth individuals (including trusts, estates, and retirement plans), private funds, and corporations. Our office is located at 12001 North Central Expressway, Suite 1000 Dallas, Texas 75243.

ICMC provides the following services to its clients and imposes a minimum dollar value of assets or other conditions for starting or maintaining an account.

- Discretionary Investment Management

ICMC provides discretionary investment management services utilizing the service of an independent third party custodian. ICMC has a limited power of attorney to purchase and sell securities for a client's investment portfolio without the authorization of the client.

The client completes an investment suitability questionnaire and information from the completed questionnaire is used to prepare an Investment Policy Statement (IPS) and agreed upon Asset Allocation (AA), which is an exhibit to the IPS. The IPS and AA are used to manage the client's portfolio according to their objectives and restrictions.

- Private Funds (Alternative Investments)

As part of the overall investment strategy for a client, ICMC will use up to five alternative asset classes that include hedge funds, real estate, natural resources, venture capital, and high-yield strategies. ICMC has formed limited partnerships to allow its clients to invest in these asset classes which might be either inaccessible or beyond a client's individual capacity. Also, the partnerships provide the client the opportunity for portfolio diversification with a smaller amount of funds.

- Financial Planning

ICMC provides comprehensive financial planning. This service provides a detailed strategy of aligning a client's financial resources to achieve their goals. ICMC's financial planning services include the following:

- Accurately determine your financial condition in terms of net worth, cash flow, taxes, estate, and insurance.
- Assist in creating a set of realistic and achievable goals.
- Develop a financial plan of action
- Implementation of the financial plan
- Continual monitoring of the client's progress
- Adjust the client's plan as their situation changes
- Meet at least annually to keep the client on track for success

- Cash Management

ICMC provides cash management services to manage short term funds (ie: working capital) and long term funds (ie: contributed capital and retained earnings) of corporations and businesses of the clients utilizing U.S. Treasuries, securities guaranteed by the U.S. Government, money market funds, and mutual funds. The client and ICMC prepares an Investment Policy Statement (IPS) setting out the goals, investment objectives, guidelines, and constraints of the specific allocated segments. The securities are held in depository accounts with one or more financial institutions, mutual fund companies, or other qualified custodians.

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.

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.

Portfolio Investment Recommendations

ICMC when making an investment recommendation or taking an investment action for a specific portfolio or client considers 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, (c) the basic characteristics of the total portfolio, and (d) specific restrictions or instructions regarding investments by a client.

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.

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

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.

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 and Principal Owner, President, Chief Executive Officer, and Chief Investment Officer

Mr. Heffelman has over 40-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 forty 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 compliance. In addition she 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 3.

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.

Assets Under Management

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

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

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 necessary to make such valuations, the investments are carried at cost.

Multiple Roles of CCO

MaryJane Adams, the CCO, is also the COO, a shareholder, and a member of the Board of Directors. An outside securities attorney reviews any matter that might cause a conflict of interest in her areas of responsibilities as the CCO.

Item 5 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	Negotiable

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.

Clients can elect to have their fees deducted from their designated account(s). If a client makes this election, ICMC will notify the custodian of the amount of their fee due and payable. The custodian does not validate or check the calculation on the assets on which the fee is based, however, ICMC will provide the client an invoice and statement showing the assets and the fee calculation. In addition, the custodian sends the client a monthly statement showing all transactions including the fee paid by the client to ICMC.

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.

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 fee for each partnership is as follows:

ICMC Hi-Yield Strategies Fund, Ltd.

- Annual management fee of 1.5% of net asset value, paid quarterly, in advance
- Incentive fee each year equal to 25% of the account by which the performance of the partnership measured by its percentage increases in net asset value on an annual bases exceeds 7.5%

ICMC Natural Resources Fund, L.P.

- Annual management fee of 1% of net asset value, paid quarterly, in advance
- Incentive fee each year equal to 15% of New Trading Profits earned by the partnership during each calendar year, subject to a high water mark

ICMC Phoenix Venture Fund, Ltd.

- Annual management fee of 1% of net asset value, paid quarterly, in advance
- Incentive fee each year equal to 15% of New Trading Profits earned by the partnership during each calendar year, subject to a high water mark

ICMC Strategic Asset Fund, Ltd.

- Annual management fee of 1.5% of net asset value, paid quarterly, in advance

ICMC Tactical Return Fund, Ltd.

- Annual management fee of 1% of net asset value, paid quarterly, in advance
- Incentive fee each year equal to 15% of New Trading Profits earned by the partnership during each calendar year, subject to a high water mark

ICMC Venture Investment Partners, L.P.

- Annual management fee of 1.5% of contributed capital, paid quarterly, in advance
- Incentive fee each year equal to 20% of all cash available for distribution, after the Partners of the Partnership have received an internal rate of return equal to 15%

ICMC Real Estate Acquisition Partners, L.P.

- Annual management fee of 1% of contributed capital, paid quarterly, in advance
- Incentive fee each year equal to 20% of all cash available for distribution, after the Limited Partners receive their capital plus 7.5% internal rate of return.

ICMC Realty Partners, L.P.

- Annual management fee of 1% of contributed capital, paid quarterly, in advance
- Incentive fee each year equal to 20% of all cash available for distribution, after the Limited Partners receive their capital plus 7.5% internal rate of return.

ICMC Global Real Estate Fund, L.P.

- Annual management fee of 1.5% of contributed capital, paid quarterly, in advance
- Incentive fee each year equal to 20% of cash distributions after Limited Partners have received distributions equal to capital contributions

The fees above are paid by the partnership and the client's interest in the partnerships are excluded from the client's 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.

Any services performed by ICMC which are outside the scope of the initial planning, implementation, and monitoring of the comprehensive financial plan will be billed on a hourly basis. Two different fee schedules are utilized depending upon the nature of service being performed. ICMC's current schedule for hourly fees are:

- (a) Financial consulting services are charged at rates ranging between \$100 and \$300 per hour.
- (b) Investment consulting services are charged at rates ranging between \$150 and \$450 per hour.

Additional Fees & Expenses

In addition to fees charged by ICMC, a client could incur additional fees charged by third parties (e.g. custodian fees, mutual fund fees, etc.). We do not receive directly or indirectly any of these fees charged to you. In addition we do not have any employees that receive (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for a client's account.

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.

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

ICMC's fund of funds/partnership investment vehicles 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 does not offer any side-by-side management programs with respect to these fund of funds/partnership investment vehicles, each of which focus on a different alternative investment strategy.

The fund of funds/partnership investment vehicles were formed and are operated by ICMC to permit the pooling of client funds for those particular asset classes into a fund of funds vehicle. This enables ICMC to permit clients to participate, indirectly, in larger investment opportunities while maintaining the appropriate asset allocation consistent with such client's stated investment goals and directives. As a result of the difference in fee structures of such fund of funds/partnership investment vehicles, ICMC does not offer clients the opportunity to participate in a side-by-side management program with respect to the investments made by such fund of funds/partnership investment vehicles.

While ICMC may, from time to time and not as a primary investment recommendation, recommend an investment in one or more of the fund of funds/partnerships investment vehicles to clients who meet the specified investor criteria and whose investment goals are aligned with the strategies employed by such investment vehicles, the client has the final decision to invest in one or more of the fund of funds/partnership investment vehicles.

Performance Fees Charged

As noted in the applicable private placement memorandum with respect to the fund of funds/partnership investment vehicles, some of such fund of funds/partnership investment vehicles charge a performance fee based on capital appreciation of the underlying value of such investment vehicle in excess of the client's initial investment. Performance based fee arrangements may create an incentive for ICMC, or its affiliate, to recommend investments which may be riskier or more speculative than those which would be recommended under a fixed fee arrangement. Risks associated with an investment in such fund of funds/partnership investment vehicles are noted in the private placement memorandums of each respective fund of funds/partnership investment vehicle. ICMC does not charge a performance fee except with respect to certain fund of funds/partnership investment vehicles and then only as reflected in the private placement memorandum for such respective fund of funds/partnership investment vehicles.

The amount of any performance fee to be paid is calculated by a third party, which calculation is then reviewed and confirmed by ICMC's outside securities counsel and ICMC's CCO.

Side Letter Agreement

ICMC does enter into side letter agreement with its clients.

Item 7 Types of Clients

ICMC provides investment management and financial advisory services to individuals and high net worth individuals (including trusts, estates, retirement plans) private funds, and corporations.

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.

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

Methods of 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.

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.

ICMC uses up to ten (10) different asset classes to construct a client's portfolio. The asset classes are traditional assets (ie: cash, U.S. Equities, International Equities, U.S. Bonds, and International Bonds) and alternative assets (ie: hedge funds, natural resources, real estate, venture capital, and high-yield strategies).

Risk of Loss

General. All investments present a risk of loss of capital and are subject to investment-specific price fluctuations, as well as to macro-economic, market and industry-specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments such as the financial viability, sales and product lines of corporate issuers, national and international politics and governmental events, and changes in income tax laws. Moreover, ICMC may have only limited ability to vary its investment portfolio in response to changing economic, financial and investment conditions. No guarantee or representation is made that ICMC's program will be successful and past performance is not indicative of future results.

Use of Fund of Funds/Partnership Investment Vehicles. The performance of ICMC's fund of funds/partnership investment vehicles may be volatile and may have limited liquidity. A client could lose all or a portion of their investment in such investment vehicles. The performance of such fund of funds/partnership investment vehicles will be, in large part, dependent on the management of the underlying fund or investment into which ICMC's fund of funds/partnership investment vehicle invests. While ICMC will actively monitor the fund of funds/partnership investment vehicles' investments, ICMC will not have control over, and will not necessarily have access to information regarding, the day-to-day management of the underlying funds or investments. As a result, there can be no guarantee that such investment will generate a return to the client and could result in a loss of capital.

Performance-Based Compensation. To the extent client funds are invested in one or more of ICMC's fund of funds/partnership investment vehicles that charge a performance-based fee or allocation, such fee or allocation may create an incentive to cause such fund of funds/partnership investment vehicle to make investments that are riskier or more speculative than would be the case if no performance fee or allocation was available. In addition, the management of the underlying fund or investment into which ICMC's fund of funds/partnership investment vehicles invests may be compensated in whole or in part by means of performance-based fees or allocations on the performance of such underlying fund or investment. This may reduce the return to the fund of funds/partnership investment vehicle and, in turn, the client and may cause the management of such underlying fund or investment to make investments that are riskier or more speculative.

Business Dependent Upon Key Individuals. ICMC is dependent, in large part, upon Ralph Heffelman, its Chief Investment Officer, and his ability in selecting the proper asset allocation for a client's goals and needs and in selecting the proper investments to implement such agreed upon asset allocation. In the event that ICMC were to lose the services of Mr. Heffelman, ICMC's performance of its services to clients could be adversely affected.

Investment and Trading Risks. Investing in securities involves risk of loss that clients should be prepared to bear. While ICMC attempts to moderate this risk through a

balanced asset allocation investment strategy depending on the client's investment goals and careful implementation of such allocation, there can be no guarantee or representation that ICMC's allocation or its implementation of same will be successful. The investment program for each client may utilize such investment techniques as ICMC shall deem reasonable based upon the client's investment goals and parameters.

Item 9 Disciplinary Information

It was our understanding that when we transitioned onto the CRD IARD electronic filing system in 2002, by filing the Form ADV, we were automatically notice file with the state of Texas and nothing more was required on our part. The correspondence received from the State Securities Board did not address any filing requirements required.

The securities commissioner of the state of Texas subsequently notified us of a deficiency resulting from the failure to file a U-4 for Ralph Heffelman. The State Securities Board issued an order reprimanding Ralph Heffelman and also ordered that the registration of Mr. Heffelman as an investment adviser representative for ICMC was granted.

Item 10 Other Financial Industry Activities and 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.

Other Business Activities

ICMC recommends and offers interests in 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.

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

Code of Ethics

ICMC has adopted the following as its company Code of Ethics and will provide a copy to any client and / or prospect on request.

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.

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.

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.

Partnership Recommendations to Clients

While ICMC does not have discretion over a client's potential for investment in its fund of funds/partnership investment vehicles, ICMC does have considerable influence in the client's decision with respect to such investment. Once ICMC makes the recommendation, the client makes the decision whether or not to invest in the partnership. ICMC would only make the recommendation if it was a suitable investment for the client and in the client's best interest.

Since ICMC's fund of funds/partnership investment vehicles are part of ICMC's overall investment strategy, the recommendation for a client to invest in one or more of ICMC's fund of funds/partnership investment vehicles is determined by the client's overall asset allocation model, investment experience and tolerance for risk. In most cases, no client is permitted to allocate in excess of 70% of its investment account balance into ICMC's fund of funds/partnership investment vehicles. The remaining allocation is invested in more liquid investments in accordance with a client's asset allocation model. In order to invest in such fund of funds/partnership investment vehicles, a client must satisfy the investor qualifications specified in the applicable private placement memorandum of such fund of funds/partnership investment vehicle and make an informed consent to invest in such fund of funds/partnership investment vehicle. An investment in ICMC's fund of funds/partnership investment vehicles is not a primary recommendation to its clients but is done to permit a client to participate, indirectly, in larger investment opportunities while maintaining the appropriate asset allocation consistent with such client's stated investment goals and directives. Clients are not

required to invest in ICMC's fund of funds/partnership investment vehicles and may elect not to do so.

Employees of ICMC are permitted to invest in the fund of funds/partnership investment vehicles under the same terms and conditions as any other limited partner, including clients. The employees have no ability to influence the management and control of such fund of funds/partnership investment vehicles.

Item 12 Brokerage Practices

ICMC or a related person may, upon request, recommend a broker to clients. ICMC looks primarily to unrelated third party sources for investments of the type suitable and appropriate for its clients and consistent with each client's asset allocation model. An important source of information concerning such investments 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 required 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, they 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 broker relationship, ICMC will use that broker for such client's transactions; however, the client may experience higher brokerage commissions because ICMC may not be able to aggregate orders to reduce transaction costs.

ICMC does not have a broker-dealer affiliation nor does it use third party marketers for its funds.

Soft Dollar Arrangements

ICMC does not participate in soft dollar programs sponsored or offered by any broker-dealer.

Using Client's Assets to get Products and Services

ICMC does not participate in soft dollar programs sponsored or offered by any broker-dealer.

Item 13 Review of Accounts

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 a specified 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 needed basis.

Fidelity, the custodian for ICMC client accounts, sends a monthly statement to each client. In addition, ICMC posts each client's Portfolio Appraisal on the secured portion of our 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.

Item 14 Client Referrals and Other Compensation

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.

The type of services covered and the percentage to be paid during each period are as follows:

(a) Investment Management Services: Twenty percent (20%) of ICMC fees paid by referred clients for a period of three years, or the duration of engagement, whichever is less.

(b) ICMC Partnerships: Twenty-five percent (25%) of management fees for three years, as long as the client is invested for the life of the partnership, whichever is less.

All compensation earned by the Referring Party will be paid quarterly, thirty days after the last day of each quarter based on actual amounts collected during the quarter.

Fees will be due to the Referring Party only if a referred prospect engages ICMC within a period of two (2) years from the date of the original introduction.

Item 15 Custody

The firm does not have custody of its client's discretionary assets. The client's assets are held with a third party custodian, currently National Financial Services, LLC, a division of Fidelity Investments. Clients receive monthly account statements directly from the custodian.

Our firm has custody of the related 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's accounts.

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 limited partners within 180 days from the fiscal year end.

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

Item 16 Investment Discretion

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.

Item 17 Voting Client Securities

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.

Item 18 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.

ICMC has not been subject to any bankruptcy proceeding and has no financial commitments that impairs its ability to meet fiduciary commitments to its clients.

Item 19 Requirements for State-Registered Activities

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.

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. 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.

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.

Brochure Supplement

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This brochure supplement provides information about Ralph B. Heffelman that supplements the ICMC brochure. You should have received a copy of that brochure. Please contact MaryJane Adams, Chief Compliance Officer, if you did not receive ICMC's brochure or if you have any questions about the content of this supplement.

Additional information about Ralph B. Heffelman is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

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. Founder/Owner, President, Chief Executive Officer, and Chief Investment Officer of ICMC from 07/74 to present.

Mr. Heffelman has over 40-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 forty 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.

Disciplinary Information

It was our understanding that when we transitioned onto the CRD IARD electronic filing system in 2002, by filing the Form ADV, we were automatically notice file with the state of Texas and nothing more was required on our part. The correspondence received from the State Securities Board did not address any filing requirements required.

The securities commissioner of the state of Texas subsequently notified us of a deficiency resulting from the failure to file a U-4 for Ralph Heffelman. The State Securities Board issued an order reprimanding Ralph Heffelman and also ordered that the registration of Mr. Heffelman as an investment adviser representative for ICMC was granted.

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.

Additional Compensation

None

Supervision

Ralph Heffelman is the founder and principal owner of ICMC. He has been rendering investment advice and constructing portfolio strategies for over 40 years. MaryJane Adams, Chief Compliance Officer, reviews and monitors the portfolios and trading activities through her quarterly and annual compliance reviews.

Requirements for State-Registered Advisers

None