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FORM ADV BROCHURE
March 31, 2020

This brochure provides information about the qualifications and business practices of Imperial Capital Asset Management, LLC (“ICAM”). If you have any questions about the content of this brochure, please contact us at (310) 246-3700 or at mmartis@imperialcapital.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about ICAM also is available on the SEC’s website at www.adviserinfo.sec.gov.

ICAM refers to itself as a “registered investment adviser” in materials distributed to current and prospective clients. As a registered investment adviser with the SEC, ICAM is subject to the rules and regulations adopted by the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser is not an indication that ICAM or its directors, officers, employees or representatives have attained a particular level of skill or ability.

MATERIAL CHANGES TO ADV BROCHURE SINCE LAST ANNUAL AMENDMENT

Since the last update to ICAM’s brochure as filed with the SEC on March 30, 2019, there have been no material changes to the information provided in this brochure. In the future, when ICAM amends its brochure for its annual update and the amended version contains any material changes from the last update filed with the SEC, ICAM will identify and describe those changes either on this page or in a separate document accompanying this brochure. For documentation purposes, ICAM will provide the date of the last update in this summary.

TABLE OF CONTENTS

<u>Item No.</u>	<u>Description</u>	<u>Page</u>
Item 4:	Advisory Business	3
Item 5:	Fees and Compensation	5
Item 6:	Performance-Based Fees and Side-By-Side Management	7
Item 7:	Types of Clients.....	8
Item 8:	Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9:	Disciplinary Information	17
Item 10:	Other Financial Industry Activities or Affiliations.....	17
Item 11:	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	20
Item 12:	Brokerage Practices	23
Item 13:	Review of Accounts.....	24
Item 14:	Client Referrals and Other Compensation	25
Item 15:	Custody	25
Item 16:	Investment Discretion.....	25
Item 17:	Voting Client Securities.....	26
Item 18:	Financial Information	26
Item 19:	Requirements for State-Registered Advisors.....	26

ITEM 4: ADVISORY BUSINESS

A. Advisory Firm

ICAM is a Delaware limited liability company that commenced operation in December 1997, and is owned and controlled by ICAMH. ICAMH is indirectly owned and controlled by Jason W. Reese and Randall E. Wooster through ICGH.

ICAM GP I, LLC (“ICAM GP I” and together with ICAM, the “Advisers”) is a Delaware limited liability company that was organized in June 2018, and is a wholly owned subsidiary of ICAM.

B. Specialization

While ICAM generally provides investment advice on a wide variety of U.S. and foreign investment products, including publicly traded and privately placed stocks, bonds (including corporate and government bonds), notes (whether redeemable in the short, medium or long-term), options, warrants, rights, private claims, high-yield securities, distressed securities, bank debt, credit default swaps, equity and debt derivatives, company obligations, non-U.S. currencies, and other securities and instruments, ICAM does not hold itself out as specializing in any particular type of investment advisory service.

ICAM GP I provides investment advice to the Hudson Funds (described in Item 4(C) below), which specialize in investments in the Clean Energy sector. “Clean Energy” refers to energy from renewable resources and alternatives to fossil fuels, energy from fossil fuels using technologies or processes that improve their environmental impact, energy storage, grid management, energy delivery and energy efficiency, power derived principally from bio-fuels (such as ethanol), biomass, wind, solar, hydro and geothermal sources and the various technologies that support the production, use and storage of these sources.

C. Advisory Services

ICAM

ICAM serves as managing member and investment manager to certain private investment funds, including Long Ball Partners, LLC (“Long Ball”) and IC Leverage Income Fund, LLC (“IC Leverage”). ICAM may decide in the future to sponsor or manage additional private investment funds (together with Long Ball and IC Leverage, the “Funds” and each individually, a “Fund”).

ICAM intends to manage each Fund pursuant to the investment strategy or purpose described in such Fund’s confidential offering memorandum and/or operating agreement (together, the “Fund Documents”). Under the applicable Fund Documents or the investment management agreement with a Fund, ICAM generally has wide latitude to act upon any investment or to change any investment strategy to achieve the investment objective or purpose of such Fund without obtaining the consent of Fund investors. Prior to investing in any Fund, prospective investors should carefully read the applicable Fund Documents and consult with their own counsel and advisers as to all matters concerning an investment in the Fund.

ICAM, through its employees, jointly prepares debt and equity research reports containing generic, impersonal investment advice pursuant to an intercompany agreement with IC. From time to time, ICAM may accept payments from clients of IC for the generic, impersonal investment advice contained in such debt and equity investment reports. In most cases, clients of IC who receive investment publications from the ICAM have no assets under management with the ICAM.

ICAM GP I

ICAM GP I acts as the co-investment manager and co-general partner with Hudson Capital Management (NY), L.P. (“HCM”), a third-party investment adviser, and its affiliate(s) for the following private investment funds (collectively, the “Hudson Funds”):

- Hudson Clean Energy Partners, L.P.,
- HCEP Parallel, L.P.,
- Hudson Clean Energy Partners (Cayman), L.P.,
- Hudson Clean Energy Partners (Cayman T-E), L.P.,
- CS Hudson Clean Energy Co-Invest Partners, L.P.,
- Hudson Clean Energy Partners AIV, L.P.,
- Hudson Clean Energy Partners (Master), L.P.,
- Hudson Clean Energy Partners (Master) AIV, L.P., and
- Hudson Clean Energy Partners (Master T-E), L.P.

None of the Hudson Funds are accepting new investors or acquiring any new investments due to the expiration of their respective marketing and investment periods. ICAM GP I intends to manage the Hudson Funds, jointly and in cooperation with HCM, pursuant to the terms and objectives described in the investment advisory agreement with the Hudson Funds and HCM (the “Hudson Advisory Agreement”) and the Global Amendment to Limited Partnership Agreements of Hudson Clean Energy Partners, L.P. and Certain Affiliated Funds and Agreement (the “Hudson Global Amendment”). Under the Hudson Advisory Agreement, ICAM GP I generally will monitor the performance of each Hudson Fund’s investments, analyze the business and operations of the portfolio companies in which each Hudson Fund invests, and advise on the sale and disposition of the portfolio companies. Any investment decisions by ICAM GP I and HCM will be subject to the consent of an investment committee of the Hudson Funds, comprised of representatives of ICAM GP I and HCM and an independent member appointed by the Hudson Fund investors (the “Hudson Investment Committee”). ICAM GP I or its related persons may also serve on the board of directors or the management teams of the Hudson Funds’ portfolio companies.

Special Note Regarding Fund Disclosures

For purposes of this brochure, any references to a “Fund” or the “Funds” do not include the Hudson Funds, and solely relate to Long Ball, IC Leverage and any other private investment fund that is or may be managed by ICAM. This brochure does not include descriptions of the fees charged by HCM to the Hudson Funds. Such additional information about the Hudson Funds is provided in the Form ADV brochure of HCM (CRD: 160592), which is available on the SEC’s website at www.adviserinfo.sec.gov.

In addition, this brochure does not include descriptions of certain clients managed by ICAM or its affiliates commencing after December 31, 2019 but prior to the filing of this brochure, including Imperial Sustainable Infrastructure Investments, LLC, a private investment fund which ICAM has sponsored and managed since January 2020. Since January 2020, ICAM, through certain of its principals, also has co-managed Sustainable Infrastructure Investments, LLC, a joint venture investment vehicle that invests in high-quality project finance loans. Additional information about IC Leverage, Imperial Infrastructure and Sustainable Infrastructure JV is available upon request to ICAM.

D. Wrap Fee Programs

The Advisers do not participate in wrap fee programs.

E. Assets Under Management (as of December 31, 2019)

ICAM

Discretionary: \$158,596,380

Non-Discretionary: \$0

ICAM GP I

Discretionary: \$86,832,916

Non-Discretionary: \$0

ITEM 5: FEES AND COMPENSATION

A-B. Types of Fees and Payment Methods

ICAM

Funds

Under the Fund Documents for Long Ball, ICAM is entitled to receive an annual management fee from Long Ball equal to approximately 1.50% (0.125% on a monthly basis) of the capital account balance of each Fund investor.

Under the Fund Documents for IC Leverage, ICAM is entitled to receive an annual management fee from IC Leverage equal to approximately 1.00% (0.083% on a monthly basis) of the aggregate value of the Fund's investments.

For each of the Funds, ICAM, in its discretion, may waive or reduce the management fees as to all or any of the investors in such Fund or agree with an investor to waive or alter the management fee as to that investor. The management fee is paid by each Fund monthly in arrears by deduction from each investor's capital account in such Fund on the last business day of each calendar month. If an investor withdraws all or a portion of its account in any Fund on a date other than the end of a calendar month, a prorated management fee will be deducted from the amount withdrawn for the period from the preceding month-end to the date of withdrawal.

ICAM also receives from each Fund an annual performance-based allocation in arrears equal to a percentage of the net capital appreciation (i.e., capital appreciation less capital depreciation) of each investor's account in such Fund. The performance-based allocation is made only if, and to the extent that, the net capital appreciation of the investor's account exceeds any net capital depreciation accumulated in prior years (as adjusted for withdrawals of capital). ICAM, in its discretion, may waive or reduce the performance-based allocation as to all or any of the investors in each Fund. The performance-based allocation from each Fund is made to ICAM by deduction from each investor's capital account in such Fund on December 31 (or the closest business day prior to December 31) for the 12-month performance period ending on the prior calendar year for each year in which performance-based allocation is earned. If an investor withdraws all or a portion of its account in any Fund on a date other than December 31, the performance-based allocation will be made on the amount withdrawn for the period from the January 1 in the year of the withdrawal to the date of withdrawal.

Equity & Debt Research Reports

On occasion, certain clients of IC may make payments to ICAM for the generic, impersonal investment advice contained in such debt and equity investment reports. Fees paid to ICAM by IC clients are negotiable and vary. A portion of the fees received by ICAM may be paid over to IC to offset the cost associated with providing the debt and equity investment reports.

ICAM GP I

Under the Hudson Advisory Agreement, ICAM GP I is entitled to receive from the Hudson Funds with respect to those investors that consented to the co-management arrangement (the “Consenting Investors”) a one-time engagement fee and a monthly advisory fee, payable in advance until the earlier of February 28, 2022 or the final liquidation of the Hudson Funds, equal to a fixed amount that is reduced on an annual basis during the payment period. The engagement fee and advisory fees are paid by the Hudson Funds on a pro rata basis by deduction from each Consenting Investor’s capital account in the Hudson Funds. Advisory fees are negotiable based on the good faith discussions of ICAM GP I and the limited partner advisory committee of the Hudson Funds. For its advice and assistance in executing the Hudson Funds’ divestment strategies with respect to the portfolio companies, ICAM GP I or an affiliate also will receive from the Hudson Funds with respect to the Consenting Investors fees equal to a percentage of the total consideration received by the Hudson Funds as a result of certain dispositions. Such fees will be reduced by the amount of the engagement fee paid by the Hudson Funds to ICAM GP I.

C. Costs and Expenses

ICAM

Direct Costs and Expenses

Each of Long Ball and IC Leverage bears all expenses of its respective organization and operation, expenses incurred in the purchase and sale of investments, and accounting fees, as determined by ICAM. Such expenses include but are not limited to: (i) investment-related expenses, including brokerage and execution charges, commissions, custodial charges, and fees for quotation and other data services; (ii) fees related to accounting, trading, portfolio management and risk management systems; (iii) research subscriptions and expenses; (iv) broken trade and broken deal fees; (v) expenses relating to marketing the Fund to prospective investors (including travel and software costs); (vi) expenses to register securities and transfer taxes; (vii) costs and expenses incurred for the purpose of protecting and enhancing the value of the Fund’s investments (including the costs of instituting and defending litigation); (viii) taxes, filing and registration fees of the Fund; (ix) all costs, fees and expenses relating to investor communications, relations, accounting and the preparation and mailing of financial, tax and performance information to investors; (x) fees, costs and expenses incurred in connection with borrowings; (xi) administration fees, costs and expenses; and (xii) fees for attorneys, accountants, consultants and other professionals or experts. ICAM may, at its discretion, choose to pay or reimburse any Fund for all or any portion of such expenses. In such event, ICAM may be reimbursed at a later date by such Fund for the expenses borne by ICAM. For additional information regarding brokerage and execution fees, see Item 12 below.

Indirect Costs and Expenses

Investors in each Fund may also indirectly bear a portion of any fees or expenses charged by investment funds (including mutual funds or other hedge funds) in which such Fund invests or other investment managers to which ICAM allocates a portion of such Fund’s assets. Long Ball and IC Leverage invest in other private investment vehicles that are sponsored or managed by ICAM or an affiliate (the “Related

Funds”), and companies or business associations in which ICAM or an affiliate has an equity or other participation interest (the “Related Companies”). In connection with these affiliated investments, each Fund bears its proportionate share of the operating fees and expenses incurred by any Related Fund or Related Company in which such Fund invests, which are separate from and in addition to the fees and expenses incurred directly by such Fund. To the extent that any Fund invests in any Related Fund, ICAM or an affiliate will receive a management fee and/or a performance allocation in its capacity as the investment manager of such Related Fund. Any Related Fund or Related Company fees and expenses borne by any Fund will be allocated solely to the capital accounts of the investors in such Fund.

ICAM GP I

Subject to the terms and provisions of the Hudson Global Amendment, each of the Hudson Funds generally pay or reimburse ICAM GP I or HCM for expenses related to its operations, including expenses incurred in connection with (i) the holding, management, and sale of investments; (ii) expenses of administrators, custodians, and other service providers; (iii) insurance, (iv) indemnity and litigation costs, (v) legal, accounting, audit, compliance and tax preparation expenses (including preparation costs of financial statements, tax returns and reports to investors), (vi) printing and mailing costs, (vii) computer software expenses, (viii) filing and registration fees, (ix) limited partner advisory committee expenses, (x) expenses of investor meetings, (xi) expenses of the Hudson Investment Committee, and (xii) any taxes, fees or other governmental charges levied against the Hudson Fund.

D. Refunds

Not applicable.

E. Sales Compensation

Neither ICAM nor ICAM GP I receive any sales commissions in connection with the sale of interests in the Funds or any of the Hudson Funds, respectively.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

ICAM

ICAM receives performance-based compensation from Long Ball and IC Leverage. Compensation based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Advisers Act. Performance-based compensation may create an incentive for ICAM to cause the Funds to make investments that are riskier than they would otherwise make. In addition, ICAM’s performance-based allocation from each Fund is calculated on a basis which includes unrealized appreciation of the assets held by such Fund, which may be greater than if such allocation were based solely on realized gains.

In the event that some clients to which ICAM provides investment advisory services are charged a performance-based compensation but not others, a conflict may arise where ICAM has an incentive to treat some clients preferentially as compared to others because those clients pay a performance-based compensation or because ICAM or one of its portfolio managers or affiliates has an interest in the client account. ICAM has adopted a policy to allocate portfolio transactions and investment opportunities across multiple client accounts on a fair and equitable basis over time. All eligible clients that can participate in a transaction share the same price on a pro rata allocation basis in an attempt to mitigate any conflicts of interest. Investment opportunities are allocated among similarly managed client portfolios to maintain consistency of portfolio strategy, taking into account cash availability, investment restrictions and guidelines, and portfolio composition.

Since management fees and performance-based compensation received by ICAM are based on the asset values of the Funds, a conflict may also arise when ICAM or a related person is valuing the assets held by the Funds. Assets will generally be valued at fair value by ICAM or its related person in accordance with U.S. generally accepted accounting practices.

ICAM GP I

ICAM GP I is not entitled to receive any performance-based compensation from the Hudson Funds.

ITEM 7: TYPES OF CLIENTS

ICAM

As described in Item 4 above, ICAM organized and serves as investment manager to Long Ball and IC Leverage and may decide in the future to sponsor or manage additional Funds. ICAM generally requires investors to make a minimum initial investment in each Fund of at least \$1,000,000, however, ICAM may, in its sole discretion, waive the minimum subscription requirement for any investor. Investors in any Fund generally must be “accredited investors” under Regulation D who are eligible to enter into a performance-based compensation arrangement under the Advisers Act. ICAM generally requires Fund investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment in the Funds.

ICAM GP I

As described in Item 4 above, ICAM GP I acts as the co-investment manager and co-general partner of the Hudson Funds. Each Hudson Fund is a private equity fund focused primarily on investments in the clean energy sector. All of the Hudson Funds are closed to any new investors due to the expiration of their respective marketing periods.

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

ICAM

A. Methods of Analysis and Investment Strategies

Investment Analysis

Investments for the Funds are identified and selected by the ICAM. ICAM’s research team evaluates investments based on an intensive due diligence process and critical analysis of each potential portfolio company’s fundamentals (e.g., financial statements, management capability, profitability, cash flow, lines of business and market share) and may determine intrinsic value based on corporate assets, revenues, earnings and other factors. Following an investment by any of the Funds, ICAM will continue to monitor the progress and suitability of portfolio investments as well as market and economic outlook.

To help develop its investment recommendations, ICAM’s research team may use commercially available information services and financial publications dealing with investment research, securities law and taxation. Such information may be obtainable in print, via the internet or by some other means. Issuer-prepared materials (particularly prospectuses), court filings and bankruptcy documentation, private placement due diligence materials, and research releases prepared by third parties are also utilized. ICAM also may use research materials prepared by various investment product vendors or custodians as well as in-house analysts. ICAM may also obtain information by meeting with an issuer’s management,

customers or competitors, attending industry conferences and consulting with experts in the appropriate field.

Investments by the Funds include investments in other privately offered investment funds or comingled investment vehicles, including the Related Funds (the “Portfolio Funds”). As the private fund market is complex and fragmented, making the selection of Portfolio Funds is expected to be a time-consuming process requiring in-depth industry expertise and contacts. ICAM makes a qualitative evaluation of potential Portfolio Funds and their strategies, seeking to identify funds that have experience in their area of expertise; clear, well developed, and adhered to strategies; reasonable rates of growth; and excellent references. ICAM seeks to develop a working relationship with each Portfolio Fund to ensure timely and accurate reporting, accurate and verifiable mark-to-market values, adequate transparency, a free flow of information and acceptable documentation.

Investment in securities involves risk of loss that investors in a Fund must be prepared to bear.

Investment Strategies – Long Ball

Long Ball’s investment objective is to provide superior and consistent risk adjusted returns to its investors. ICAM intends to construct Long Ball’s portfolio to optimize the risk/reward characteristics that best suit the interests of Long Ball’s members and will not restrict its approach to any formal investment style criteria. However, in general, ICAM will have an opportunistic value approach to investing, with a focus on catalysts for value creation or destruction. ICAM believes that favorable investment opportunities may be found in all capitalization ranges, asset classes, geographies and market or industry segments. ICAM believes that absolute value, and, selectively, relative value, combined with a favorable catalyst, provides the best long term means to provide capital appreciation and preservation. In effect, it views its opportunistic style as both an offensive and defensive strategy. There can be no assurance that Long Ball’s investment objective will be achieved.

Long Ball may invest in all forms of stocks, bonds, notes, options, warrants, rights, private claims, high-yield securities, distressed securities, bank debt, credit default swaps, equity and debt derivatives, company obligations, non-U.S. currencies, futures, options on futures, and other securities and instruments of U.S. and non-U.S. issuers that are traded publicly and privately, including real estate investments, cash, and cash equivalents. Long Ball will also enter into lending transactions, including with Related Funds or Related Companies. Long Ball will utilize short selling, hedging strategies, and may leverage its investments by buying securities on margin (*i.e.*, with credit supplied by broker-dealers through which securities are purchased). In severely poor market conditions which are typically present in secular bear markets, Long Ball may hold higher levels of short exposure, significant levels of cash or turn over the portfolio more frequently in an effort to minimize systematic market risk.

ICAM has broad discretion to use any securities trading or investment techniques, whether or not contemplated by the expected investment strategies and criteria described above. Depending on conditions and trends in securities markets and the economy generally, ICAM may pursue any other objectives, or any other techniques that it considers appropriate and in the best interests of Long Ball. Many of the investment techniques and activities described above are high-risk activities that could result in substantial losses. Prospective investors should carefully read Long Ball’s Fund Documents and consult with their own counsel and advisers as to all matters concerning an investment in the Fund.

Investment Strategies – IC Leverage

IC Leverage’s investment objective is to achieve competitive returns on invested capital through leveraged investments in dividend-paying and/or interest-paying securities. ICAM intends to focus on

identifying investment opportunities that offer high current income in the form of dividends, distributions or interest payments relative to the margin of safety inherent in their underlying business operations and financial results. In implementing its investment strategy, IC Leverage will incur significant indebtedness, including through the use of margin borrowing, reverse repurchase agreements and other instruments. Due to IC Leverage's focus on relatively high current income relative to the broader market, its investments generally are expected to have a relatively low correlation to the broader debt and equity markets; however, the impact of leverage may magnify temporary market moves. There can be no assurance that IC Leverage's investment objective will be achieved.

IC Leverage also may invest a substantial portion of its assets in equity and preferred securities of companies in the energy, finance and real estate industries, including but not limited to Master Limited Partnerships (MLPs), real estate investment trusts (REITs), business development companies, mortgage banking companies, banks, thrifts, and insurance companies, as well as fixed income securities in a broad set of industries and equities issued by closed-end investment companies. In addition, IC Leverage may engage in short selling and enter into various hedging transactions.

ICAM has broad discretion to use any securities trading or investment techniques, whether or not contemplated by the expected investment strategies and criteria described above. Depending on conditions and trends in securities markets and the economy generally, ICAM may pursue any other objectives, or any other techniques that it considers appropriate and in the best interests of IC Leverage. Many of the investment techniques and activities described above are high-risk activities that could result in substantial losses. Prospective investors should carefully read IC Leverage's Fund Documents and consult with their own counsel and advisers as to all matters concerning an investment in the Fund.

B. Investment Strategy Risks

Acquiring interests in the Funds is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with ICAM and can accept a potential loss of their entire investment. Investment risks specific to the investment strategy of each Fund are described in the applicable Fund Documents of such Fund. Such risks may include (but are not limited to):

- Concentration. Each Fund may hold a relatively small number of securities. Losses incurred in such securities could have a disproportionate effect on such Fund's overall financial condition.
- Portfolio Management. The performance of each Fund depends on the skill of ICAM and its portfolio manager(s) in making appropriate investment decisions. To the extent that any Fund is invested in one or more Portfolio Funds, such Fund will not have an active role in the day-to-day management of those Portfolio Funds. Moreover, none of the Funds will have the opportunity to evaluate the specific investments made by any Portfolio Fund in which it invests. Accordingly, the performance of each Fund will depend on the performance of the investment managers of the Portfolio Funds.
- Leverage. The use of leverage by buying securities on margin or use of certain derivatives is a speculative technique that involves special risk considerations. Interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. Interest on borrowings will be an expense of each Fund and will affect the investment performance of such Fund (particularly IC Leverage). To the extent that each Fund is leveraged, the value of its assets will tend to increase more when its portfolio securities increase in value, and to decrease more when its portfolio securities decrease in value, than if its assets were not leveraged.

- Short Selling. Short sales that are not part of a hedging strategy are speculative and involve special risk considerations. Since a short seller in effect profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, returns will tend to increase more when the securities sold short decrease in value, and to decrease more when the securities sold short increase in value, than would otherwise be the case if the short seller had not engaged in such short sales. Short sales theoretically involve unlimited loss potential as the market price of securities sold short may continuously increase.
- Portfolio Turnover. Buying and selling securities generally involves some expense to each Fund, such as commissions and other transaction costs. Generally, the higher a Fund's portfolio turnover, the greater its brokerage costs and the greater the likelihood that it will realize taxable capital gains. Increased brokerage costs may adversely affect the performance of the Funds.
- Highly Volatile Markets. The prices of investments held by the Funds can be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts in which ICAM may invest Fund assets 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.
- Limited Liquidity. Some of the securities in which the Funds invest may be relatively illiquid, either because they are thinly traded, because they are traded in the over-the-counter market or on a regional exchange, or because they are subject to transfer restrictions. The Funds may not be able to promptly liquidate those investments if the need should arise, and their ability to realize gains, or to avoid losses in periods of rapid market activity, may therefore be affected.
- Hedging Strategies. Special risks are associated with the use of options, futures contracts and swaps as hedging techniques, including fluctuations in the volatility of the underlying security, fluctuations in prevailing interest rate and a lack of correlation between price movements in the hedging vehicle and in the portfolio securities being hedged which may result in a loss on both the hedged securities and the hedging vehicle. In addition, a decision as to whether, when and how to use a particular hedging strategy involves the exercise of skill and judgment which are different from those needed to select portfolio securities, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. If ICAM is incorrect in its forecasts relating to a hedge, the participating Fund may be in a worse position than if it had not engaged in the hedging transaction. The potential loss incurred by the Funds in swaps, futures and writing options on futures is unlimited. There can be no assurance that a liquid market will exist at a time when a Fund seeks to close out an option position or futures or swap contract.
- Risk of Private Debt Investments. Private debt investments involve a high degree of financial risk. There can be no assurance that investments by the Funds will be profitable or that substantial losses will not occur. Debt instruments are subject to credit and interest rate risks. Credit risk refers to the likelihood that an obligor will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an obligor are the primary factors influencing credit risk. Each Fund will depend primarily upon the creditworthiness of the borrowers as obligors for payment of principal and interest. While a borrower may not have credit issues at the time it receives a loan from a Fund, it is possible that extraordinary circumstances may arise which cause the borrower to suffer from a reduced ability to repay its interest and principal obligations or even default on interest and/or principal payments due to the

Fund. If a Fund does not receive scheduled interest or principal payments on a loan, the Fund may incur additional expenses in seeking to recover under such a loan. Credit risk may change over the life of an instrument.

- Potential Conflicts of Interest. Investments in the Funds are subject to potential and actual conflicts of interest (as described in this brochure). For information on how ICAM addresses conflicts of interest, see Item 11(A) below.
- Cybersecurity Risk. ICAM relies on a wide range of information and technology systems, including hardware and software programs, in its operations and the implementation of each Fund's investment strategies. ICAM's information and technology systems may be susceptible to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, security breaches, and employee errors. Although ICAM has implemented various measures to manage risks relating to these types of events, breach of ICAM's information systems may cause information (including personally identifiable information) to be lost or improperly accessed, used or disclosed.
- Data Privacy. Many jurisdictions in which ICAM operates have laws and regulations relating to data privacy and protection of personal information, including the General Data Protection Regulation (GDPR) in the European Union and the California Consumer Privacy Act (CCPA). These laws and regulations require companies to notify individuals of data security breaches involving certain types of personal data, which may be costly to implement and often leads to negative publicity, and loss of investor confidence. New and existing laws and regulations may impose other privacy related obligations on companies and regulators' interpretations and approaches to enforcement of these laws and regulations continue to evolve over time.
- Systemic Risk. Risk to the operations and performance of the Funds may arise from a default by one of several institutions that are dependent on one another to meet their liquidity or operational needs. A default by one institution may cause a series of defaults by other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges, with which the Funds interact. A systemic failure could have material adverse consequences on the Funds and on the markets for the instruments in which the Fund seeks to invest.
- Investment Opportunity Risk. The recent global coronavirus pandemic has caused and continues to cause disruption in the global economy and has caused extreme fluctuations in global financial markets, which has the potential to negatively impact each Fund's performance and investment strategy and reduce available investment opportunities. The pandemic has caused extreme fluctuations in the financial markets, which may cause a contraction of available liquidity globally and lead to a decline in business and consumer confidence, and presents the risk of an economic recession around the globe. It is not possible to determine the duration or severity of the disruption in financial markets or the long-term economic impact of the pandemic on the performance of the Funds or the global economy as a whole.

C. Portfolio Investment Risks

ICAM generally provides investment advice on a wide variety of U.S. and foreign investment products, including publicly traded and privately placed securities, but does not invest in any particular type of investment product. Risks may include (but are not limited to):

- Equity Securities. By investing in stocks, ICAM may expose the Funds to a sudden decline in the share price or to an overall decline in the stock market. The value of investments held by the Funds will fluctuate daily and cyclically based on changes in the issuer's financial condition and prospects and on overall market and economic conditions.
- Small-Cap Companies. Investments in small-cap companies may involve greater risks than investments in larger, more established companies, such as limited product lines, distribution channels and financial and managerial resources. The securities of small-cap companies may have greater price volatility and less liquidity than the securities of larger capitalized companies, and may be more difficult to value.
- Fixed Income Securities. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions of an issuer's creditworthiness. Generally, fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, with lower rated securities more volatile than higher rated securities. The duration of these securities affects risk as well, with longer term securities generally more volatile than shorter term securities.
- High Yield Bonds and Non-Performing Debt. Fixed income securities that are below investment grade or unrated involve greater risks of default and are more volatile than investment grade securities. High yield bonds involve a greater risk of price declines than investment grade securities due to actual or perceived changes in an issuer's creditworthiness. In addition, issuers of high yield bonds may be more susceptible than other issuers to economic downturns, which may result in a weakened capacity of the issuer to make principal or interest payments. High yield bonds are subject to a greater risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity.

The Funds may also invest in non-performing, "distressed" debt—high yield bonds issued by entities that have already indicated an inability to pay outstanding interest or principal. The value and liquidity of these instruments may be diminished by adverse publicity and investor perceptions. In addition, the ultimate recovery for holders of such bonds often depends upon the resolution of complex legal questions, determined in the context of a bankruptcy reorganization. These securities often are contractually or structurally subordinated in right of payment to prior claims of banks or other senior lenders, and will typically be unsecured.

- Preferred Securities. Preferred securities offers a stated dividend rate payable from a corporation's earning, which may be cumulative or non-cumulative, participating, or auction rate. If interest rates rise, the fixed dividend on preferred securities may be less attractive, causing the prices to decline. Preferred securities may have mandatory sinking fund provisions and call/redemption provisions prior to maturity, a negative feature when interest rates decline. Preferred securities are generally subordinate to the rights associated with an issuer's debt securities in terms of priority to corporate income and liquidation payments, and therefore are subject to greater credit risk than more senior debt instruments. Preferred securities may be substantially less liquid than many other securities.
- Convertible Securities. Like other fixed income securities, the market value of a convertible debt security tends to vary inversely with the level of interest rates. A convertible security may be subject to redemption at the option of the issuer at a price established in the instrument governing the convertible security. If a convertible security held by the Funds is called for redemption, such Funds will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party.

- Foreign Securities. Foreign investments tend to be more volatile than U.S. securities, and are subject to risks that are not typically associated with U.S. securities. For example, such investments may be adversely affected by changes in currency rates and exchange control regulations, unfavorable political, social and economic developments and the possibility of seizure or nationalization of companies or imposition of withholding taxes on income. Moreover, less information may be publicly available concerning certain foreign issuers than is available concerning U.S. companies. Foreign markets tend to be more volatile than the U.S. market due to economic and political instability, social unrest and regulatory conditions in some countries.
- Exchange-Traded Funds (“ETFs”). The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (a) the risk that their prices may not correlate perfectly with changes in the underlying index, and (b) the risk of possible trading halts. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based. To the extent the Funds invest in leveraged ETFs, the value of a leveraged ETF will tend to increase more when its underlying index increases in value, and to decrease more when its underlying index decreases in value, than if the ETF was not leveraged.
- Derivatives. Derivatives involve the risks separate from the risks of the underlying instrument, including improper valuation and ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying instrument. Derivatives are also subject to other risks, such as the risk of an illiquid secondary market which may result in significant, rapid, and unpredictable changes in the prices for such derivatives, risks relating to the financial soundness and credit worthiness of the counterparty, and the risk of the failure of any of the exchanges on which a client account’s positions trade or of their clearinghouses. The use of a derivative is speculative if ICAM is primarily seeking to enhance returns, rather than offset the risk of other positions. When ICAM invests Fund assets in derivatives for speculative purposes, the Funds will be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the cost of the derivative.
- Trade Claims. Trade claims generally are unsecured and ownership is not evidenced by a certificate. The amount realized on a trade claim, if any, will generally depend upon its ultimate disposition in the bankruptcy reorganization. The secondary market for trade claims is thin, and as a result ICAM expects that these investments will be illiquid.
- Portfolio Funds. Various risks are associated with investing in Portfolio Funds, and the investment strategies and tactics that Portfolio Funds may use. Portfolio Funds may provide ICAM with very limited information with respect to its operations and performance, thereby severely limiting ICAM’s ability to (i) verify any representation made by such fund, (ii) monitor any investment strategy being employed by such fund, or (iii) detect any misconduct or fraud engaged in by such fund. To the extent that ICAM invests a Fund’s assets in a Portfolio Fund that restricts the ability of investors to effect withdrawals, ICAM may not be able to withdraw such Fund’s assets invested in such fund promptly after it has made a decision to do so, which may result in a loss to such Fund. To the extent a Portfolio Fund is permitted to distribute securities in kind to investors making withdrawals, upon withdrawal of all or a portion of a Fund’s assets invested in such fund, such Fund may receive securities that are illiquid or difficult to value.

- Swap Agreements. The Funds may enter into equity, debt, interest rate, index, currency rate, total return and other types of swap agreements. Depending on their structure, swap agreements may increase or decrease each Fund's exposure to long-term or short-term interest rates (in the United States or abroad), foreign currency values, mortgage securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates. In addition, if a counterparty's creditworthiness declines, the value of a swap agreement would be likely to decline, potentially resulting in losses.
- Loan Originations, Participations and Assignments. Loan originations, purchasers of loans and other forms of direct indebtedness depend primarily upon the creditworthiness of the borrower for payment of principal and interest. Purchasers of loan participations may also assume the credit risk associated with an interposed bank or other financial intermediary. Unless, under the terms of the loan or other indebtedness, the Funds have direct recourse against the borrower, they may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a borrower. Loans and other types of direct indebtedness may not be readily marketable and may be subject to restrictions on resale. Investments in loans through a direct assignment of the financial institution's interests with respect to the loan may involve additional risks to the Funds, including the costs and liabilities associated with owning and disposing of the collateral upon a loan's foreclosure, potential co-lender liability, and uncertain protection under securities laws against fraud and misrepresentation.

ICAM GP I

A. Methods of Analysis and Investment Strategies

Investment Analysis

The portfolio investments of the Hudson Funds are analyzed by ICAM GP I and HCM as the co-investment managers of the Hudson Funds. In the case of ICAM GP I, it generally will monitor the progress and suitability of portfolio investments of the Hudson Funds as well as market and economic outlook. ICAM GP I may compile relevant data based on (i) reviews of private corporate documents (including business plans, financial records and projections), legal documents and customer agreements, and industry research and reviews; (ii) interviews with key officers, customers, suppliers and competitors; and (iii) site visits to each portfolio company to examine its operations, technologies, products and market opportunities. In certain instances, ICAM GP I also may retain outside consultants and advisors having special expertise in relevant fields in valuing and evaluating potential divestment opportunities for the portfolio companies. In connection with any proposed sale or disposition, ICAM GP I jointly and in cooperation with HCM will (i) prepare solicitation materials, as needed, with respect to each transaction and portfolio company, (ii) meet with the qualified potential buyer(s) for each transaction; (iv) arrange for potential buyer(s) to conduct due diligence investigations; (iv) advise on the pricing and structure of each transaction; and (vi) negotiate the terms and conditions of any potential sale or disposition.

Investment in securities involves risk of loss that investors in any Hudson Fund must be prepared to bear.

Investment Strategies

The Hudson Funds invest primarily in companies in the Clean Energy sector as described in Item 4(B) above. The Hudson Funds pursue a control-oriented investment strategy, typically acquiring traditional majority ownership positions or significant minority stakes with board representation, negative controls and significant influence, either independently or as part of a joint venture or consortium.

B. Investment Strategy Risks

Investment in the Hudson Fund is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment and can accept a potential loss of their entire investment. Investment risks specific to the investment strategy of the Hudson Funds are described in the offering documents of each Hudson Fund. Such risks may include (but are not limited to):

- Concentration. Each Hudson Fund may hold a relatively small number of securities. Losses incurred in such securities could have a disproportionate effect on the Hudson Fund's overall financial condition.
- Portfolio Management. The performance of the Hudson Funds depend on the skill of ICAM GP I and HCM in making appropriate decisions regarding the sale and disposition of the portfolio investments.
- Limited Control over Issuers. The Hudson Funds may hold non-controlling interests in certain companies or acquire substantial positions in companies without representation on the board of directors or control over the management of such companies. As a result, the Hudson Funds may have a limited ability to protect its position in such companies. The success of these investments will depend on the ability and success of the management of that company in addition to economic and market factors. The Hudson Funds may seek to work constructively with management of certain companies. There can be no assurance that the management of any company will agree or acquiesce to the involvement of the Hudson Funds in the affairs of the company, or that the strategies that the Hudson Funds hope to implement will be effective.
- Exit Strategies. Return of capital and the realization of gains, if any, from the portfolio investments of a Hudson Fund generally will occur only upon the partial or complete disposition of the portfolio investment. There can be no assurance that ICAM GP I will be able to locate qualified purchasers of the Hudson Funds' portfolio investments, negotiate exit transactions in the time frame expected of the Hudson Fund investors, or consummate sales or dispositions of the Hudson Funds' investments that satisfy the Hudson Funds' objectives or fully realize upon their values or be able to exit fully from each portfolio company.

C. Portfolio Investment Risks

The Hudson Funds invests primarily in companies in the Clean Energy sector. Risks specific to this type of investment may include (but are not limited to):

- Equity Securities. By investing in stocks, the Hudson Funds may be exposed to a sudden decline in the share price or to an overall decline in the industry sector or stock market generally. The value of investments held by the Hudson Funds will fluctuate daily and cyclically based on changes in the issuer's financial condition and prospects, and on overall market, sector and economic conditions.
- Industry Concentration. Events adversely affecting companies involved in the Clean Energy sector likely will have a material adverse effect on the Hudson Funds' investments. The clean energy sector is challenged by various factors including rapid change, evidenced by rapidly changing market conditions and/or participants, changing government policies and incentives, climate change and natural disasters, new competing products and/or improvements in existing products, and changes in regulatory and customer standards. Companies in which a Fund invests

will compete in this volatile environment. There is no assurance that services or products sold by a portfolio company will not be rendered obsolete or adversely affected by competing products or will not be adversely affected by other challenges to the sector.

- Uncertainty of Clean Energy Products. The products that the portfolio companies intend to manufacture and produce may be subject to significant governmental and public scrutiny. Technologies such as regenerative fuel cell, wind turbine and power electronics products and technologies are currently being developed or have only recently been made commercially available. Such products often involve a high degree of technological risk and are required to perform in uncertain and volatile environments. Any actual or perceived failure of such products to achieve their intended result could significantly reduce the revenues and market share of the portfolio companies and irreparably harm their perception in the market.
- Less Established Companies. Investments in smaller, less established or development stage companies may involve greater risks than are generally associated with investments in more established companies. The securities of such companies, even if and when publicly traded, may be subject to more abrupt and erratic market price movements than larger, more established companies. Less established and development stage companies tend to have a lower capitalization and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performance.
- No Control Over Issuers of Portfolio Securities. The Hudson Funds may hold substantial positions in the securities of particular companies. Nevertheless, the Hudson Funds are unlikely to be represented on the board of directors or share any control over the management of any such company. The success of each investment depends on the ability and success of the management of that company in addition to economic and market factors.

ITEM 9: DISCIPLINARY INFORMATION

The Advisers do not have any legal, financial or other disciplinary items to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

A. Registration as a Broker-Dealer or Registered Representative

Jason W. Reese (CEO and Chairman of ICAM; Executive Committee Member of ICAMH), Randall E. Wooster (Executive Committee Member of ICAMH), Mark Martis (COO and CFO of ICAM), and Todd Wiench (General Counsel/CCO of ICAM) maintain registrations with Imperial Capital, LLC (“IC”), an affiliated securities broker-dealer registered with the SEC, FINRA and various states, and may conduct business on behalf of, or in their capacity as, representatives for IC.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person

Neither of the Advisers nor any of their employees hold any of the above registrations.

C. Material Relationships with Affiliates

1. *broker-dealer, municipal securities dealer, or government securities dealer or broker*

Both ICAM's parent company, ICAMH, and IC's parent company, ICG, are owned and controlled by ICGH and several ICG employees. Subject to the ICAM's obligation to seek best execution, ICAM expects to utilize the services of IC for substantially all of the Funds' portfolio transactions. Consequently, IC will share in a portion of the revenues normally and customarily generated by a broker-dealer from the securities transactions of the Funds.

IC may buy securities from and sell securities to the Funds in its capacity as a principal or agent, and act as a financial or M&A adviser, underwriter, placement agent or initial purchaser in securities transactions in which the Funds participate.

In executing trades for the Funds, IC may charge customary brokerage commissions or markups, fees and expenses in connection with the transaction. In all cases in which portfolio securities transactions are directed to IC (or to any other broker), ICAM will determine in good faith that the brokerage commissions or markups, fees and expenses charged in connection with such transactions are reasonable in relation to the value of the brokerage, research and other services provided by that broker, viewed in terms of either the specific transaction or ICAM's overall responsibilities to its clients. ICAM has no obligation to affect any particular volume of transactions through IC.

2. *investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)*

ICAM

See Item 7 above. Investors in the Funds must understand that each Fund was formed as an investment product to be managed by ICAM, and that ICAM does not intend to cause the Funds to terminate their investment management relationships with ICAM absent ICAM's liquidation or bankruptcy. However, ICAM has a fiduciary duty to act in the best interest of each Fund that it manages, and investors in each Fund have the right to withdraw from such Fund at any time subject to any notice requirement, lock-up period or other withdrawal limitations described in the applicable Fund Documents. ICAM may from time to time enter into a side letter agreement with one or more Fund investors which may, among other terms, provide for (a) withdrawal rights that are more favorable than the rights granted to all other Fund investors, (b) a reduced management fee and/or performance-based compensation, or (c) greater or more frequent reporting with respect to the Funds.

In addition, neither ICAM nor its related persons are obligated to allocate any specific amount of time or investment opportunities to any particular Fund. ICAM and its related persons intend to devote as much time as they deem necessary for the conduct of each Fund's operation and portfolio management, and will allocate investment opportunities in accordance with ICAM's trade allocation policy described in Item 6 above.

ICAM GP I

See Item 7 above. ICAM GP I acts as the co-investment manager and co-general partner of the Hudson Funds. Neither ICAM GP I nor its related persons are obligated to allocate any specific amount of time to the Hudson Funds.

3. *other investment adviser or financial planner*

See Item 4(C) above. ICAM GP I, a relying adviser, is owned and controlled by ICAM and acts as the co-investment manager of the Hudson Funds jointly and in cooperation with HCM. HCM is a

third-party investment adviser and not a related person of the Advisers. In managing the Hudson Funds, ICAM GP I will rely on ICAM's related persons in connection with the performance of its advisory services and general partner duties to the Hudson Funds.

4. *futures commission merchant, commodity pool operator, or commodity trading adviser*

Not applicable.

5. *banking or thrift institution*

Not applicable.

6. *accountant or accounting firm*

Not applicable.

7. *lawyer or law firm*

Not applicable.

8. *insurance company or agency*

Not applicable.

9. *pension consultant*

Not applicable.

10. *real estate broker or dealer*

Not applicable.

11. *sponsor or syndicator of limited partnerships*

ICAM is the managing member of Long Ball and IC Leverage. For each other Fund that ICAM may manage from time to time, ICAM or an affiliate of ICAM will act as the managing member, general partner or management shareholder, as applicable. See response (2) above.

ICAM GP I is the co-general partner of the Hudson Funds, together with Hudson Capital GP, LLC ("Hudson GP" and, together with ICAM GP I, the "Hudson Fund Co-GPs"). Hudson GP is not a related person of the Advisers. See response (3) above.

D. Recommendation of Other Investment Advisers

Not applicable.

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

A. Code of Ethics

In order to address conflicts of interest, ICAM has adopted a code of ethics (the “Code”) which is applicable to all of ICAM’s officers, manager, members, and employees (collectively, “Employees”). As a relying adviser, ICAM GP I and its Employees (if any) are also subject to the Code. ICAM’s Code generally sets the standard of ethical and professional business conduct that the Advisers require of their Employees, requires Employees to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by Employees. Additionally, the Code sets forth the Advisers’ policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that the Advisers and each of its Employees owes to each advisory client. The Code is circulated at least annually to all Employees, and each Employee at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto. The Advisers will provide a copy of the Code to any client or prospective client upon request.

B. Participation or Interest in Client Transactions

ICAM and ICAM GP I

Subject to each Adviser’s obligation to seek best execution, the Advisers expect to execute a significant portion of client securities transactions through IC, an affiliated broker-dealer; provided that securities transactions by ICAM GP I with respect to the Hudson Funds may be effected through private negotiations with qualified purchasers. See Item 10(C)(1).

To the extent that either Adviser manages other client accounts, the Adviser may solicit qualified clients or investors in such client accounts to invest in a Related Fund. Because of the relationship between the Adviser and any Related Fund it sponsors or manages, the Adviser could be considered to have recommended the investment as suitable for a client if such person should invest in the fund. The applicable Adviser will inform each client of its relationship with a Related Fund prior to the client’s investment, but has no intent to advise clients as to the appropriateness of the investment and will not receive any compensation for doing so or for selling interests in a Related Fund (except to the extent that the Adviser receives management fees and/or other compensation from investors in the Fund or the Hudson Funds, as applicable). Each Adviser may, from time to time at its discretion, suggest that investors in the Fund or the Hudson Funds, as applicable, invest in an investment vehicle sponsored or managed by ICAM.

Under certain circumstances, IC may effect securities transactions as principal with an Adviser’s client. A client will only engage in principal transactions with IC to the extent permitted by applicable law and the client’s governing documents, and where the applicable Adviser believes such transactions are appropriate. Each Adviser represents that neither it nor IC will engage in any principal transactions unless the applicable Adviser sends each client who may be affected thereby with a written notice before the completion of such transaction, indicating the capacity in which the Adviser or IC is acting. All such transactions will be disclosed to the client in accordance with the Advisers Act, and the applicable Adviser will prepare annual statements summarizing such transactions which include all commissions or other remuneration received by IC, if any, for principal transactions.

To the extent that the Advisers manage other client accounts, the Advisers may seek to adjust or rebalance client accounts by effecting cross-trades between or among client accounts (i.e., causing one or more

client accounts to sell securities to one or more other client accounts). All such cross-trades will be consistent with the investment objectives and policies of each client account involved in the trades, and will be affected at the current independent market price of the securities involved in the trades. Any client accounts involved in cross-trades will not pay any fees in connection with the trades to the Advisers, but will pay the applicable broker-dealer for any customary ticket charges, trading costs and/or transfer fees that are assessed by such broker-dealer through which the client accounts effect the trades.

ICAM

Agency Cross Transactions

Under certain circumstances, IC may act as a broker for Long Ball and/or IC Leverage and a third person on the other side of a trade, a so-called “agency cross transaction.” In such a case, IC may receive commissions, fees and expenses from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction. Such commissions, fees and expenses generally will be nominal amounts relative to the transactions, but may be higher than what a third party broker would charge. All such transactions will be disclosed to the Fund in accordance with the Advisers Act, and ICAM will prepare annual statements summarizing such transactions and the commissions, fees and expenses paid to IC, if any, for agency cross transactions. No agency cross transactions will be effected in which ICAM or IC has recommended the transaction to both the buyer and the seller unless ICAM provides prior written disclosure to the client and obtains client consent to such transaction in accordance with the Advisers Act.

Loan Transactions with Affiliates

Long Ball and certain other affiliated and third party lenders have extended credit to IC Leverage under an unsecured promissory note (the “Note”). ICAM acts as the administrative agent, which represents the interests of the lenders in enforcing the terms of the Note, including the collection of principal and interest payments from IC Leverage, the apportionment of such payments among the lenders, and the declaration of an event of default requiring IC Leverage to accelerate payment of all outstanding principal and accrued interest. Due to the affiliation of ICAM with IC Leverage, the borrower, and certain lenders, including Long Ball, potential conflicts of interest arise in relation to the enforcement of the Note. Under the terms of the Note, ICAM as administrative agent will act in good faith in evaluating and exercising any and all available rights and remedies under the Note and applicable law on behalf of the lenders.

The Funds may participate in other loan or financing transactions with Related Fund and Related Companies in the future. Negotiations between a participating Fund and a Related Company with respect to loan or financing terms will not constitute an arms’ length transaction. ICG or its affiliate, through its interest in both parties in a transaction, could have an incentive to provide favorable terms to the Related Company. There can be no assurance that a transaction will be made on terms at least as favorable as those that would have obtained in a transaction between third parties. Before entering into the transaction with a Related Company, ICAM will first determine in good faith that it is in each participating Fund’s best interest to enter into the transaction and that the terms of the loan are reasonable in relation to its value, viewed in terms of the specific transaction and in comparison to other loan transactions. The Funds and/or a Related Company may utilize another ICG affiliate to service the loan or provide other related services, which may result in a layering of fees. ICAM believes the fees paid to any ICG affiliate are within market range for such services, but may not be the lowest available.

Equity Investments in Affiliates

Long Ball and IC Leverage, together with certain other affiliates of ICAM, has invested in Related Funds. As the investment manager of the Related Funds, ICAM receives a management fee with respect to each investor in the Related Fund (including the Funds). Investors in a Related Fund (including the Funds) will also bear their pro rata share of any operating fees and expenses.

ICAM may direct the Funds to invest a portion of their assets in other Related Funds in the future. Any Fund's investment in other Related Funds generally will result in a layering of fees and expenses. The investment strategies of a Related Fund may require substantial trading costs and, as a result, expenses may exceed those of other portfolio investments of the participating Fund. If a Related Fund is sponsored or managed by ICAM or any of its affiliates, any fees or expenses will benefit and be set by ICAM or its affiliate. ICAM will determine in good faith that such an investment is appropriate for each participating Fund, and that the fees and expenses charged to such Fund are reasonable in relation to the value of the investment and other private funds.

C. Personal Trading

The Advisers believe that if investment goals are similar for clients and for Employees of the Advisers, it is logical and even desirable that there be common ownership of some securities. At the same time, the Advisers recognize that there is a risk that Employees will compete with client accounts or otherwise engage in personal securities transactions at the expense of a client's interest. In order to maintain a high code of conduct, ICAM's Code requires that all such transactions be carried out in a way that does not endanger the interest of any client. The Code establishes certain black-out periods, pre-clearance procedures and a quarterly securities transaction reporting system that is designed to monitor transactions in Employees' personal accounts and prevent any conflicts that may arise between Employees' personal securities transactions and transactions for clients of the Advisers. For purposes of the policy, an Employee's "personal account" generally includes any account (i) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (ii) for which the Employee is a trustee or executor, or (iii) which the Employee controls, including an Adviser's client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest. Additional restrictions on personal trading of the portfolio securities of a Fund may be imposed on investment committee members of the Fund and related parties pursuant to the Fund's governing agreement.

Employees who are registered representatives of IC will also be subject to the terms and restrictions with respect to personal trading in IC's code of ethics.

D. Concurrent Trading Activity

Under ICAM's Code, Employees are generally subject to black-out periods surrounding securities transactions for client accounts, other than to unwind transactions affected prior to employment with the Advisers. Any unwinding transaction by an Employee will be subject to the Code's pre-clearance procedures.

The Advisers generally will not aggregate securities transactions for clients. However, where available and appropriate, transactions to purchase or sell the same security may be effected at the same time for numerous client accounts, some of which accounts may have similar investment objectives. The Advisers may (but is not obligated to) combine or "batch" such orders. When combined orders occur, the Advisers will seek to allocate the execution and the costs incurred as a result of such execution in a manner that is deemed equitable to the accounts involved.

ITEM 12: BROKERAGE PRACTICES

A. Selection of Broker-Dealers

Execution Quality. The Advisers will generally seek “best execution” in light of the circumstances involved in transactions. In selecting a broker for any transactions, the Advisers may consider a number of factors, including, for example, net price, availability, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. Neither Adviser will obligate itself to obtain the lowest commission or best net price for an account on any particular transaction. Subject to the Advisers’ obligation to seek best execution and any restrictions or conditions in a client’s governing documents, the Advisers expect to execute substantially all of client’s securities transactions through IC. See Item 10(C) above.

During the last fiscal year, ICAM directed client transactions to broker-dealers based on their reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security, the value of the ongoing relationship of ICAM with such broker-dealers, and the comprehensiveness and frequency of available research services and products provided by the broker-dealer. ICAM monitors transaction results as orders are executed to evaluate the quality of execution provided by the various brokers and dealers it uses, to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those brokers and dealers in light of all the factors described above.

Research and Other Soft Dollars.

While ICAM generally obtains research services and products from its in-house research analysts and does not intend to have any soft dollar arrangements, any decisions involving soft dollars will be made in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. That is, ICAM will generally determine, considering all appropriate factors, that commissions and fees paid are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer.

ICAM GP I generally will rely on ICAM for any research services and products, and will not have any soft dollar arrangements.

Brokerage for Client Referrals.

Subject to applicable law and regulation, in selecting brokers for any securities transactions, ICAM may direct a portion of a client’s brokerage business to brokers who introduce the client to ICAM. Because referrals could benefit ICAM, selecting a broker based on client referrals may give rise to conflicts of interest in allocating client brokerage business. ICAM will not allocate client brokerage business to a referring broker unless ICAM determines in good faith that the commissions and transaction costs payable to such broker are not materially higher than those available from other non-referring brokers offering services of similar execution quality.

ICAM GP I will not direct brokerage business to brokers who make client referrals.

Directed Brokerage. Not applicable.

B. Aggregation of Orders

See Item 11(D) above.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Account Review

ICAM

All accounts are generally reviewed on a daily basis by Jason Reese, Portfolio Manager, and Mark Martis, COO. Account reviews focus on the review of all securities using fundamental analysis. Particular attention is given to changes in client objectives, development with respect to specific issues, developments with respect to specific issuers, developments and trends in general economic factors such as interest rates and market levels, general economic trends, and relative/absolute valuation levels.

ICAM GP I

ICAM GP I and HCM, as the co-investment managers of the Hudson Funds, will review the portfolio investments of the Hudson Funds on an ongoing basis. Particular attention will be given to the objectives of the Hudson Funds; developments in the business, operations, properties, financial conditions, competition, forecast, prospects and management of the portfolio companies; and developments in the potential sale or disposition of the investments of the Hudson Funds in the portfolio companies.

B. Non-Periodic Account Review

Not applicable.

C. Client Reports

ICAM

Each qualified custodian sends an account statement, at least quarterly, to each client for which it maintains funds or securities, identifying the amount of funds and all transactions in the account during the period.

ICAM provides investors in Long Ball and IC Leverage with annual audited statements and a statement of each investor's capital account as of the fiscal year end. Each investor also receives an unaudited quarterly report from ICAM which discusses general account performance.

ICAM may make the reports available in hardcopy or solely via electronic transmission. ICAM, in its discretion, may provide more frequent reports and/or more detailed information to all or any of the investors in each Fund.

ICAM GP I

Typically, investors in the Hudson Funds receive quarterly financial reports and audited annual financial statements. Pursuant to the limited partnership agreements of the Hudson Funds (the "Hudson Fund Agreements"), the Hudson Fund Co-GPs will provide periodic reports with respect to the sale or other disposition of any portfolio company interests by the Hudson Funds, generally on a monthly basis to the limited partner advisory committee of the Hudson Funds and on a quarterly basis to the Hudson Fund investors. The Hudson Fund Agreements may provide for other types and frequency of reporting to the Hudson Fund investors, including any tax reporting information.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Compensation By Non-Clients

There is no one who is not a client that provides an economic benefit to the Advisers for providing investment advice or other advisory services to their respective clients.

B. Compensation for Client Referrals

Neither of the Advisers directly or indirectly compensates any person for client referrals.

ITEM 15: CUSTODY

ICAM

Custody of the assets of the Funds will be maintained with qualified custodians selected by ICAM in its exclusive discretion, which selection may change from time to time without the consent of investors in the Funds. While ICAM will not maintain physical possession of the funds or securities of any Fund, ICAM, as the managing member of Long Ball and IC Leverage, has authority to direct the qualified custodian to transfer funds and securities in each Fund's portfolio and pay out the management fees and/or performance-based compensation.

In accordance with the custody requirements contained in Rule 206(4)-2 under the Advisers Act, ICAM has entered into an arrangement with an independent public accountant pursuant to which the Funds will be subject to annual audits. As described in Item 13(C) above, ICAM will provide a copy of a Fund's audited financial statements to investors in such Fund. ICAM generally intends for the Funds to be subject to annual audits.

ICAM GP I

ICAM GP I will not maintain physical possession of any funds or portfolio securities of the Hudson Funds. In addition, under the Hudson Fund Agreements, ICAM GP I may not direct the transfer of any funds or securities in any Hudson Fund's portfolio without the consent of Hudson GP. In the event that Hudson Fund Co-GPs are unable to agree, the decision with respect to such transfer will be determined by the Hudson Investment Committee.

In accordance with the custody requirements contained in Rule 206(4)-2 under the Advisers Act, the funds and securities of the Hudson Funds (other than privately issued uncertificated securities) are maintained with a qualified custodian, and investors in the Hudson Funds generally will receive annual audited financial statements prepared by an independent public accountant.

ITEM 16: INVESTMENT DISCRETION

ICAM

ICAM has discretionary authority to make the following determinations without obtaining the consent of the Funds before the transactions are effected:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;

- the brokers through which securities are to be bought or sold; and
- the commission rates at which securities transactions for Funds are effected.

ICAM's discretionary authority with respect to the Funds is derived from an express grant of authority under the applicable Fund Documents and/or the investment management agreement with each Fund.

ICAM GP I

ICAM GP I does not have independent investment discretion with respect to the Hudson Funds. Pursuant to the Hudson Fund Agreements, any decision on behalf of any Hudson Fund to invest in or dispose of any portfolio company interests will require the unanimous consent of Hudson Fund Co-GPs as well as the consent of the Hudson Investment Committee.

ITEM 17: VOTING CLIENT SECURITIES

ICAM

Generally, ICAM will vote (by proxy or otherwise) in all matters for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held by each Fund in accordance with ICAM's proxy voting policies and procedures (the "Policies").

The Policies require ICAM to vote proxies received in a manner consistent with the best interests of its clients. The Policies also require ICAM to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the client that beneficially owns the voting securities. However, the Policies permit ICAM to abstain from voting proxies in the event that the client's economic interest in the matter being voted upon is limited relative to its overall portfolio or the impact of the vote will not have an effect on the outcome of the matter up for vote or on the client's economic interests.

In accordance with the Policies, each decision to vote for or against a proxy proposal or to abstain from voting will be made by ICAM on a case-by-case basis. Where a proxy proposal raises a material conflict between ICAM's interests and the interests of a client, ICAM will seek to resolve the conflict.

Upon request to ICAM, a Fund investor may request information on how ICAM voted shares on behalf of the Fund, as applicable.

ICAM GP I

Generally, the Hudson Fund Co-GPs by unanimous consent will vote (by proxy or otherwise) in all matters for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held by the Hudson Funds. In the event that Hudson Fund Co-GPs are unable to agree, the decision with respect to such shareholder vote will be determined by the Hudson Investment Committee. In making any decision to vote proxies, ICAM GP I will comply with the Policies.

ITEM 18: FINANCIAL INFORMATION

Not applicable.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Not applicable.

ANTI-MONEY LAUNDERING POLICY

ICAM maintains policies designed to detect and report any activities that raise suspicions of money laundering activities, and may modify these policies from time to time. In that regard, ICAM requires prospective investors in any of the Funds to provide such information as ICAM deems necessary for ICAM to comply with applicable legal or regulatory requirements, including, without limitation, anti-money laundering requirements. ICAM may disclose information respecting investors to governmental and/or regulatory or self-regulatory authorities to the extent that ICAM deems required by applicable law or regulation and ICAM may file reports with such authorities as ICAM deems required by applicable law or regulation. If required by applicable law, regulation or interpretation thereof, ICAM may suspend all activity with respect to an investor's accounts in the Funds, including suspending the right to withdraw funds or assets from the Funds, pending ICAM's receipt of instructions from the appropriate governmental or regulatory authority.