

BROCHURE OF
RADIUM ASSET MANAGEMENT, LLC

A Delaware limited liability company registered with the Securities and Exchange
Commission as an investment adviser (CRD # 299475)

Radium Asset Management, LLC
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SEPTEMBER 1, 2020

THIS BROCHURE (“**BROCHURE**”) PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF RADIUM ASSET MANAGEMENT, LLC (“**RADIUM**” OR THE “**FIRM**”) IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT RADIUM AT (877) 397-4127. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“**SEC**”) OR ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT RADIUM ASSET MANAGEMENT, LLC IS ALSO AVAILABLE ON THE SEC’S WEBSITE AT [HTTPS://ADVISERINFO.SEC.GOV](https://adviserinfo.sec.gov).

RADIUM IS A REGISTERED INVESTMENT ADVISER. REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT RADIUM OR ANY OF ITS PRINCIPALS OR EMPLOYEES POSSESS A PARTICULAR LEVEL OR SKILL OR TRAINING IN THE INVESTMENT ADVISORY BUSINESS OR ANY OTHER BUSINESS.

Item 2 – Material Changes

This section provides a summary of material updates made to this Brochure since its most recent filing on March 30, 2020. The Form ADV Part 2 has been revised to reflect:

- a) The Firm’s relocation to 65 W 36th Street, 12th Floor, New York, NY 10018;
- b) The arrangement between the Firm and Radium2 regarding expenses;
- c) The ownership interests that certain access persons have in affiliates of the Firm; and
- d) Radium2’s custody of assets.

Item 3 – Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management	3
Item 7 – Types of Clients.....	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9 – Disciplinary Information	12
Item 10 – Other Financial Industry Activities and Affiliations.....	13
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Investments	14
Item 12 – Brokerage Practices.....	15
Item 13 – Review of Accounts.....	15
Item 14 – Client Referrals and Other Compensation	15
Item 15 – Custody.....	15
Item 16 – Investment Discretion	16
Item 17 – Voting Client Securities	16
Item 18 – Financial Information	16

Item 4 – Advisory Business

Radium Asset Management, LLC (“**Radium**” or the “**Firm**”) is a Delaware limited liability company formed on September 21, 2018 that is registered as an investment adviser with the U.S. Securities and Exchange Commission (“**SEC**”). The Firm maintains offices at 65 W 36th Street, 12th Floor, New York, NY 10018. The Firm is principally owned by Troy Caruso, its managing member.

The Firm provides discretionary investment management services to its advisory clients, comprised of a private pooled investment vehicles operating within the merchant cash advance (“**Merchant Cash Advance**”) industry. The Firm provides these services in accordance with the private placement memorandum, limited partnership agreement (or analogous organization document), other offering materials and/or an investment management agreement applicable to the client (“**Governing Documents**”).

The Firm also provides non-discretionary consulting services as it relates to acquisition, financing, merger and other corporate opportunities.

Discretionary Services

The Firm currently serves as investment adviser to Radium Alternative Financing Fund I, LP (“**RAFFI**”), a private investment fund whose interests are offered pursuant to Regulation D of the Securities Act of 1933, as amended. An affiliate of the Firm, Radium Management, LLC, serves as the general partner of RAFFI (the “**General Partner**”). The Firm also serves as an investment adviser to Radium2 Capital, LLC, (“**Radium2**”) a New York limited liability company, principally owned by Troy Caruso, that evaluates small to mid-size businesses (the “**Merchants**”) and makes investments by providing working capital in the form of a Merchant Cash Advance to the Merchants and receives a percentage of such Merchant’s future receivables in return equal to the aggregate amount purchased by Radium2. Troy Caruso, the Firm’s managing member, serves as the Chief Executive Officer of Radium2. RAFFI and Radium2 are the Firm’s clients and are each referred to herein as a (“**Fund**”) and collectively, as the (“**Funds**”) unless otherwise specified or as indicated by the context. The Funds are not registered investment companies.

The Firm specializes in providing investment strategies pertaining to Merchant Cash Advances as set forth in Item 8, which are carried out by the Firm’s operational support personnel and other investment team related support personnel (collectively, the “**Investment Team**”). Investment Team members may be employees of the Firm, its affiliates, or may be exclusive or non-exclusive third-party contactors.

For RAFFI, investment advice is provided directly to such vehicle, subject to the discretion and control of the Fund’s General Partner, and not to the individual needs of the investors in RAFFI. Investment restrictions of RAFFI, if any, are generally established in the Governing Documents, and/or side letter agreements negotiated with investors in RAFFI.

For Radium2, investment advice is also provided directly to such vehicle and not to the individual needs of the investors in RAFFI. Investment restrictions of Radium2 are also established in the Governing Documents as well as the master participation agreement (“**MPA**”) that Radium2 enters into with each investor (“**Investor**”). Investment advice is not tailored to such Investor.

Non-Discretionary Services

Radium provides non-discretionary investment advisory consulting services as it relates to acquisition, financing, merger and other corporate opportunities.

The Firm currently does not participate in wrap fee programs.

As of July 31, 2020, the Firm had approximately \$63,320,663 in assets under management on a discretionary basis.¹

Item 5 – Fees and Compensation

Discretionary Services

The Firm charges RAFFI a management fee equal to 1.50% per annum of the net asset value of RAFFI. Generally, management fees are payable quarterly in arrears and calculated as of the last day of each quarter or on the withdraw date. The Firm deducts the management fees from the client's account.

The Firm charges Radium2 a management fee equal to 0.75% of the total right to receive collected from a Merchant per each Merchant Cash Advance agreement on a weekly basis.

The Firm believes that its fees, charged to the Funds, are competitive with those charged generally by other investment advisers for comparable services. However, some investment advisers may provide comparable services for lower or different fee structures. Performance fees, as discussed in Item 6, are only charged in accordance with applicable rules and regulations, including Rule 205-3 under the Advisers Act and the Employee Retirement Income Security Act (“ERISA”) as applicable.

Additional Fees and Expenses

The Advisory Agreement of RAFFI provides a description of any additional fees and expenses for which a fund investor may be responsible for in addition to the management fees and any performance-based allocations or fees. Generally, each investor will be responsible for all costs and expenses relating to the organization and operation of RAFFI on a pro rata basis, including, without limitation, (i) administration fees and expenses, whether provided by a third party, the Firm or an affiliate thereof; (ii) audit fees; (iii) custodial fees and other bank service fees; (iv) interest and other expenses incurred in respect of borrowings if any; (v) due diligence-related expenses; (vi) expenses associated with information, communication and periodic reporting; (vii) expenses incurred in connection with legal and regulatory compliance with U.S. federal, state, local and non-U.S. or other law or regulation; (viii) financial statements, tax returns and Schedules K-1 (if applicable); (ix) insurance premiums; (x) certain legal fees, including costs of litigation involving the Funds and the amount of any judgments or settlements paid in connection herewith; and (xi) certain platform fees, servicing fees and commissions as such fees relate to merchant cash advances.

¹ Determined in accordance with the Form ADV Instructions, Amended Form ADV, Part 1A, Schedule D, Item 5.K.(2).

Pursuant to an MPA with Radium2, an Investor participating in a Merchant Cash Advance pays Radium2 (i) a platform fee equal to the product of an Investor's pro rata share and a percentage of the funded Merchant Cash Advance, (ii) a servicing fee equal to the product of an Investor's pro-rata share and a percentage of the receivables collected by Radium2 and (iii) a commission to an Independent Sales Organization ("ISO") that sourced the Merchant Cash Advance equal to a percentage of the funded Merchant Cash Advance. Radium2 collects all payments from Merchants and allocates an Investor's pro-rata share of such payments on a weekly basis. Investors may be responsible their pro-rata share of legal fees and costs associated with certain collection efforts of Radium2. Radium2 also receives an origination fee from the Merchants who receive the funded Merchant Cash Advance equal to a percentage of such funded amount. The Firm has an arrangement with Radium2 whereby certain expenses of the Firm, including payroll and expenses incurred in connection with legal and regulatory compliance with U.S. federal, state, local and non-U.S. or other law or regulation are initially paid for by Radium2, which is subsequently reimbursed by the Firm.

Affiliates of the Firm are ISOs and source the Merchant Cash Advances. ISO's are paid a commission equal to a percentage of the funded amount of the Merchant Cash Advance from the investors of RAFFI and Investors of Radium2.

The Firm pays its own general operating and overhead expenses associated with providing its investment management services, including all expenses incurred by the Firm in providing for its normal operating overhead, including, but not limited to, the cost of providing relevant support and administrative services (e.g., employee compensation and benefits, rent, office equipment, utilities, telephone, secretarial and bookkeeping services, etc.).

Non-Discretionary Services

Radium provides non-discretionary investment advisory consulting services as it relates to acquisition, financing, merger and other corporate opportunities. Compensation is tailored to the complexity of the of the services.

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

As described in Item 5, the Firm (or its affiliates, including Radium Management, LLC) may receive a performance-based fee from RAFFI in addition to a management fee. The performance fee paid by RAFFI to the Firm or its affiliates at the close of each fiscal quarter equals 66.67% of RAFFI's annual new appreciation. All such arrangements conform with Section 205(a)(1) of the Advisers Act and ERISA, as applicable.

The Firm may advise clients that are charged a management fee and performance fee and clients that are charged solely a management fee. Some clients may also be subject to a higher management fee and/or performance-based fee than others. The Firm may have an incentive to favor a Fund paying higher performance compensation. Notwithstanding these conflicts, the Firm will allocate transactions and opportunities among the Fund and businesses it manages in a manner it believes to be as equitable as possible, considering each account's objectives, programs, limitations and capital available for investment. However, even clients with similar objectives will often have different investment portfolios and fee structures. For more information, see Item 11.

Item 7 – Types of Clients

Discretionary Services

The Firm provides investment advisory services to the Funds as defined in Item 4.

The suitability requirements for RAFFI are set forth in the RAFFI's private placement memorandum delivered to investors. Investors in RAFFI are required to meet certain suitability and net worth requirements. The investor must qualify as (i) a "qualified client" within the meaning of Rule 205-3 under the Advisers Act, as amended, and (ii) an "accredited investor," as defined by Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended. Investors in the Fund must meet a minimum initial investment requirement of \$250,000. The investment manager or general partner (or analogous party) of RAFFI may accept lower initial investments in its sole discretion.

The suitability requirements for Radium2 are set forth in the MPA that Radium2 enters into with each Investor. Investors in Radium2 are required to meet certain suitability and net worth requirements, and thus must qualify as an "accredited investor" as defined by Rule 501 of Regulation D promulgated pursuant to the Securities Act of 1933, as amended.

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

Methods of Analysis and Investment Strategy for Discretionary Services

The Funds' investment objective is to achieve financial gain by providing working capital on a national level to Merchants and, to a lesser extent, to public companies ("**Public Companies**") and receive a percentage of a Merchant's future sales in return equal to the aggregate amount purchased by Radium2, together with any fees associated therewith. The Funds will also participate in the loans provided to Merchants by Radium2 and/or other Funders that are secured by collateral ("**Asset Based Loans**") on an opportunistic basis.

Background

The Merchant Cash Advance industry has nearly doubled over the past several years, growing to over fifteen billion dollars (\$15,000,000,000.00) in origination volume in 2017 versus eight billion six hundred million dollars (\$8,600,000,000.00) in 2015.

The growth of a typical merchant's business depends on efficient and frictionless access to capital, yet the small business lending market is vastly underserved. Merchants are time and resource constrained, but the traditional borrowing process is time consuming and burdensome. Seventy-four percent (74.00%) of small business owners indicate that access to customized credit solutions, including working capital, remains a top concern, including immediate capital availability for an unseen operational event (i.e. a large purchase order that requires a substantial increase in raw materials). Given Radium2's underwriting speed and funding timeline, it has become a critical partner in providing rapid access to capital.

Merchants are unique, and therefore difficult to assess, and the traditional lending sector has not historically served this segment well. Lack of a standardized "credit scoring model" requires lenders to utilize a number of resources, including social media, to fully understand the

characteristics of a Merchant. Radium2 has engineered its underwriting and risk management policies with a dynamic, technology enabled underwriting system that incorporates both traditional and non-traditional elements into its credit scoring.

Investment Strategy

Origination

Radium2 primarily utilizes affiliated ISOs to generate client opportunities. Affiliated ISOs of Radium2 deploy a data driven client acquisition model and are paid a commission for funding client leads, in addition to the opportunity for participation in the Merchant Cash Advance. Commissions typically range between five percent (5.00%) and twelve percent (12.00%) of the transaction size. Currently, Radium2 has relationships with ISOs that cumulatively generate over five hundred seventy-five million (\$575,000,000.00) in originations. Exclusivity agreements with affiliated ISO firms give Radium2 a significant competitive advantage when selecting which receivables to fund internally.

Merchants can apply for a Merchant Cash Advance or an Asset Based Loan on Radium2's website in minutes and, using its proprietary scoring model, Radium2 can make a funding decision either the same day or within twenty-four (24) hours and transfer funds within three (3) days. Radium2 primarily provide two (2) products to its client base, traditional Merchant account based advances and revenue based advances. For a traditional Merchant account based advance, Radium2 purchases a small portion of the Merchant's future credit card sales and advances that money to the Merchant upfront. For revenue based advances, the Merchant has capital advanced to its business based on monthly gross revenue and sales, which are verified by bank deposits.

Underwriting

Radium2 is a specialized provider of custom credit solutions for Merchants. Enabled by a proprietary technology and analytics platform incorporating proprietary credit scoring, underwriting and asset management applications, Radium2 aggregates and analyzes thousands of data points from dynamic, unrelated and uncorrelated data sources to assess the creditworthiness of Merchants rapidly and accurately.

The goal of underwriting is to determine a Merchant's current financial position, its ability to generate revenues for the foreseeable future and subsequently its propensity and ability to repay. To ascertain credit and financial worthiness, the underwriter analyzes the business credit of an applying Merchant and the personal credit of its principal(s), conducts a social media search and thorough business and personal background checks and obtains landlord and trade reference verifications and bank statements to confirm revenues and analyze financial data. These factors are encompassed in Radium2's proprietary Merchant scoring model (the "**Credit Scorecard**"). The Credit Scorecard considers more than four hundred twenty (420) data points in order to determine if an applying Merchant is qualified, and if so, for what terms.

In assessing an applying Merchant's financial position, Radium2 evaluates a Merchant's ability to generate future revenue. Radium2 uses a risk-based pricing model to categorize Merchants from low to high risk. As part of the portfolio monitoring process, when Radium2 receives information from a Merchant to renew, Radium2 may adjust the Merchant's risk designation. For a Merchant Cash Advance equal to or greater than two hundred fifty thousand dollars (\$250,000), the model takes the input of Radium2's underwriters on selected revenue items, operating costs, operating income and selected average balance sheet items and calculates fifteen (15) to twenty (20) ratios, including the current ratio, coverage ratio and debt ratio. Current ratio measures liquidity and

gauges the ability of a Merchant to meet its short-term financial obligations should it be compelled to liquidate its assets. However, it is not an absolute measure of a Merchant's ability to meet its obligations. Coverage ratio indicates a Merchant's ability to service its debt based on its income and debt ratio indicates a Merchant's ability to pay its debt. Radium2 evaluates a Merchant pursuant to reduced underwriting criteria for a Merchant Cash Advance less than two hundred fifty thousand dollars (\$250,000). If a Merchant is qualified, an underwriter may request and require additional documents from an applying Merchant in order to conduct an in-depth review of the business, its principals and financials before approving the Merchant Cash Advance.

Optimal Merchant Cash Advance servicing procedures ensure that Radium2 is maximizing its own earning potential, but the ability to easily track and manage the performance of repayment offers unparalleled transparency and insight into its funded Merchants.

Collections

Radium2 operate a proprietary and highly scalable technology infrastructure with substantial capacity for future growth. Through integration with Cloud My Biz ("CMB") management software, a customized version of Salesforce that allows for better management and tracking, Radium2 is able to centralize the ecosystem under one main operation. In collaboration with CMB, Radium2 has implemented Salesforce, a leading customer-relationship management software that improves transparency, efficiency, collaboration and turnaround time on transactions and facilitates the sharing of data and information.

Powerful and intuitive tools accessed through Fundingo, a platform that automates servicing, are used to manage write-offs, workflow automation and renewals on pre-existing balances. This system also provides a robust back end interface with reports that assist in monitoring repayments and provide the ability to export details of transactions to external systems. Radium2 is also able to set up Investor profiles with the syndication structure and balance, track funds received from Investors for investment and monitor and export details of syndication transactions. In addition, Radium2 has the ability to automatically create syndication payables based on the percentage of funding and management fees, track, calculate and deduct management and upfront fees, reinvest syndication investments and automatically generate remittances and disbursement records.

Participation in Merchant Cash Advances with Other Funders

Radium2 also participates in Merchant Cash Advances, not originated by Radium2, with other Funders that Radium2 has an established relationship and track record with.² When a Merchant Cash Advance is not originated by Radium2, Radium2 is not provided with the same information as when it is acting as the originator. In order to generate Merchant Cash Advance opportunities, other Funders frequently utilize the ISOs affiliated with Radium2. Funders will have already evaluated a Merchant based on their own scoring model, which is similar to that of Radium2, and Radium2 will subject a Merchant to a less complex scoring model, and the origination and collection track record of the other Funder is utilized as a significant component of Radium2's evaluation of a particular Merchant Cash Advance opportunity.

The scoring model evaluates the following information: (a) a Merchant's location and operating history, (b) the funding amount and factor rate, (c) repayment amount, (d) payment amount and frequency, (e) term, (f) personal and business credit score and credit utilization, (g) average daily

² In 2019, approximately forty percent (40.00%) of the Merchant Cash Advances funded by Radium2 were originated by other Funders. Over the last few years, the percentage of Merchant Cash Advances originated by other Funders and funded by Radium2 has significantly decreased.

balance, monthly revenue, non-sufficient funds, negative days and number of deposits, (h) criminal background check, (i) industry, (j) seasonality and (k) use of funds. Based on these criteria, the model generates calculations, including maximum term, maximum daily and weekly payment, maximum offer and minimum buy rate. Radium2 then confirms with the other Funder the offer that is being provided to a Merchant in order to determine whether it aligns with the calculations generated by the scoring model.

Asset Based Loans

Radium2 provides Asset Based Loans to Merchants on an opportunistic basis. In order to evaluate a Merchant for an Asset Based Loan, Radium2 employs its traditional underwriting process, as described above, and performs a detailed review of a Merchant's collateral. Radium2 determines the collateral's value and how rapidly Radium2 can expect to realize that value by focusing its analysis on the quality and the verifiability of the collateral. Radium2 requests former appraisals and/or detailed equipment lists, which typically include model numbers, the year the collateral was built and its overall description. For certain equipment, Radium2 will order an appraisal from a reputable and licensed appraiser, which includes both the Forced Liquidation Value and the Orderly Liquidation Value. In addition, Radium2 engages a reputable title search company to conduct a complete title search of the collateral. If an Asset Based Loan is approved by Radium2, it enters into a Co-Operative Loan Security Agreement with a Merchant where the Merchant pledges its assets as collateral in exchange for working capital from Radium2.

Risk of Loss

Risks Associated with Merchant Cash Advances

Merchant Cash Advances Generally. Radium2 will provide capital to Merchants through Merchant Cash Advances. Radium2 will purchase receipts expected to be generated from a Merchant's future sales. The Merchant will authorize Radium2 to receive a certain percentage of its future daily sales receipts or a fixed daily amount estimated to equal this percentage until Radium2 has received all of the future receipts it has purchased. Among the risks associated with these transactions is that the Merchant does not unconditionally agree to repay the Merchant Cash Advances. If the Merchant does not generate sufficient receipts due to adverse business conditions, loss of leased premises, natural disasters or similar occurrences beyond the control of the Merchant, Radium2 and the Fund will suffer the loss since the Merchant Cash Advances are not secured by collateral.

Development and Acceptance of Merchant Cash Advances. The further development and acceptance of Merchant Cash Advances, although not a new alternative method for providing working capital to Merchants, is subject to a variety of factors that are difficult to predict and evaluate. The factors affecting the future development and acceptance of the Merchant Cash Advance industry include, but are not limited to: (a) government and quasi-government regulation or restriction of Merchant Cash Advances and their use; (b) changes in traditional institutional lending requirements and rates, such as required credit score minimums, loan and capital advance minimums and interests rates; (c) the availability and popularity of other forms or methods of alternative capital advances for Merchants who cannot obtain traditional advances or loans; (d) changes in consumer demographics, and public tastes and preferences for capital advance transactions; (e) general economic conditions and the regulatory environment at the state and federal level relating to capital advance transactions; and (f) negative consumer perception of Merchant Cash Advances generally. A decline in the development, popularity or acceptance of Merchant Cash Advances may adversely affect an investment in the Fund.

Investment Yield Risk. The investment yield risk in providing Merchant Cash Advances to Merchants depends upon whether the Merchant is able to continue its operation of business, which is subject to the market forces of supply and demand. The Merchant’s ability to adequately operate its business is a driving factor in generating future receivables to satisfy the terms of the Merchant Cash Advance. Radium2’s reliance on fluctuating daily or weekly income does not allow for a concrete timeline of repayment to be established. If the Merchant experiences an influx of business that was greater than anticipated, the return of investment will occur earlier than may have been expected. Additionally, if the Merchant does not generate sufficient future receipts, Radium2 (and therefore the Fund) may experience a longer payback period or may suffer the partial or complete and unrecoverable loss of the Merchant Cash Advance.

Risks Associated with Uncertain Regulations and Enforcement Actions. The regulatory status of Merchant Cash Advances is unclear or unsettled in many state jurisdictions, as well as at the federal level. It is difficult to predict how, when or whether regulatory agencies may apply existing regulations with respect to such Merchant Cash Advances. Regulatory actions could adversely impact the Merchant Cash Advance marketplace in certain states or the industry in general in various ways, including, for purposes of illustration only, through a determination that such capital advance transactions constitute unlawful activity or that Merchant Cash Advances are a regulated transaction that requires registration or licensing for some or all of the parties involved. Radium2 (and therefore the Fund) may cease operations in a jurisdiction where regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

Changes in the Regulation of Merchant Cash Advances. As Merchant Cash Advances have grown in both popularity and market size, the United States Congress and a number of federal and state agencies, including the Consumer Financial Protection Bureau (“**CFPB**”), the Federal Trade Commission (the “**FTC**”) and state financial institution regulators, have been examining Merchant Cash Advances and the Merchant Cash Advance market with particular focus on the extent to which Merchant Cash Advances can be used as a loophole to regulations and laws surrounding traditional capital advance methods. The CFPB, the Office of the Comptroller of the Currency (the “**OCC**”) and the United States Department of the Treasury have issued white papers, bulletins and reports regarding marketplace funding.

The Commercial Finance Coalition (the “**CFC**”) is one of several Merchant Cash Advance trade associations and a self-regulating body within the Merchant Cash Advance industry, which has taken a proactive approach to regulation and policymaking. The CFC continues to work with the federal government to self-regulate and educate the legislators on the importance of the Merchant Cash Advance industry on small businesses. To the extent that future regulatory actions or policies are enacted that limit the Merchant Cash Advance industry, the demand for Merchant Cash Advances may be reduced.

CFPB’s Treatment of Merchant Cash Advances. The jurisdiction of the CFPB is generally limited to consumer-purpose transactions and does not have the authority to regulate commercial factoring or funding. However, the CFPB was granted the authority under Section 1071 of the Dodd-Frank Act to require financial institutions to collect, maintain and report information regarding their process for funding to small businesses. In addition, the CFPB also has the authority to enforce the Equal Credit Opportunity Act, which includes commercial funding and the Fair Credit Reporting Act. However, the CFPB has not yet implemented any rules or enforcement.

Although the CFPB does not currently have the authority to regulate commercial factoring or funding, the 2017 Request for Information shows that implementation of Section 1071 could occur soon. The implementation of Section 1071 would provide the CFPB with powers extending past

consumer transactions and into commercial funding businesses. The CFPB's complete scope of authority into the commercial funding industry is uncertain. The CFPB may attempt to extend their regulatory powers over commercial lending businesses to Merchant Cash Advances. In conjunction with the risk of a Merchant Cash Advance being classified as a loan, the new regulatory powers of the CFPB would require Radium2 to be compliant with different protective acts, including the Fair Credit Reporting Act and the Equal Credit Opportunity Act.

FTC's Treatment of Merchant Cash Advances. The FTC has the authority to regulate unfair and deceptive commercial practices. According to the FTC, it does not view a Merchant Cash Advance as a model that should be prohibited solely because of the high cost involved for the Merchant. Generally, the FTC is concerned about how high-cost products are being described and sold and will investigate the sales pitches to ensure no deception practices are being used. Merchant Cash Advances may come under FTC investigation if lenders are mischaracterizing their product offerings or otherwise engaging in unfair or deceptive practices.

Merchant Cash Advance Classification Risk. As the Merchant Cash Advance industry has gained popularity, more focus has been placed on the contractual obligations in the Merchant Cash Advance Agreements. An ambiguous and unclear contract may result in the transaction being regarded as a loan. Currently, the common law rules in each state, generally, hold that an unconditional repayment obligation classifies an advance as a "loan." A Merchant Cash Advance that is classified as a "loan" creates potential legal and financial risks, including, but not limited to: (a) non-compliance with federal and state regulations; (b) breach of good faith and classification as an unconscionable contract; and (c) non-possession of the required lending licenses. In order to prevent a Merchant Cash Advance from being classified as a "loan," the following should be included in the transaction: (a) creating a clear and unambiguous agreement between Radium2 and the Merchant; (b) establishing conditional and non-illusory repayment terms that are contingent on the future sales receipts of the Merchant; (c) restricting the use of collateral and the requirement of absolute repayment; and (d) ensuring the conditional repayment obligations for both the business and the personal guaranty are equivalent.

New York State Regulation of Merchant Cash Advances. Currently, regulations regarding Merchant Cash Advances do not exist in New York. New York courts have held where the transaction is classified as a sale of future receipts, the regulations regarding traditional loans and usury laws do not apply. Breaches, including default, of the Merchant Cash Advance Agreement by the debtor are protected using other measures.

In the event that a Merchant defaults on a Merchant Cash Advance Agreement with Radium2, a common solution is a confession of judgment ("COJ"). Under New York Civil Practice Laws and Rules §3218, a Merchant may enter into a COJ with Radium2, whereby the Merchant admits liability and accepts the amount of agreed-upon damages it must pay to Radium2. Furthermore, the COJ states the Merchant agrees that the COJ may be filed as a court judgment against it in the event the Merchant does not pay or perform as agreed. A COJ may be entered, without an action, at any time within three (3) years after the affidavit is executed.

COJ's are used to secure an entry of judgment against the debtor before the debt is due (the execution on the judgment may not be levied until the due date). A COJ does not nullify the conditional repayment terms contained in the Merchant Cash Advance Agreement, and therefore will not change the classification of a Merchant Cash Advance from a sale to a loan. When the Merchant executes a COJ, Radium2 is protected by New York State law in its attempt to recover damages from material breaches.

The protection offered by New York State law, including not classifying Merchant Cash Advances as loans and the acceptance of COJs lowers the risk presented to Radium2 and the Fund. However, there may be instances where a COJ will be vacated and Radium2 and the Fund risk a partial or complete loss.

Issues of Fact and Misconduct of an Adverse Party. When there are contested issues of fact, a court will use its discretion to decide whether a COJ should be applied or if a trial should commence. New York State law requires the COJ to detail the facts on which the claim substantively depends and must concisely state the facts out of which the debt arose, including how and when the debt arose and for how much. Insufficient detail may lead to the COJ being vacated. Under CPLR 5015(a)(3), the COJ may also be vacated based on fraud, misrepresentation or other misconduct.

Venue and Jurisdiction. Under CPLR 3218(a)(a), the COJ must state the New York county where the Merchant resides, or if the Merchant is not a resident of New York, the county in which entry is authorized. If the COJ improperly states the county of residence or does not include it, venue risks may arise for Radium2. In addition, if a Merchant is not a resident in New York, the venue in which the affidavit is entered must have jurisdictional authority to enter judgment or adjudicate the case. Radium2 must ensure that the non-resident Merchant has reasonable contacts in New York or that the transaction bears some relation to New York, otherwise Radium2 risks application of *forum non conveniens*.

California Lender's License. If a Merchant Cash Advance is deemed to be a loan in the State of California, Radium2 is required to obtain a California Finance Lending License (“CFL”). The CFL requires licensure as well as ongoing compliance activities. A CFL provides Radium2 with an exemption from the usury provision of the California Constitution. However, Radium2 must also satisfy certain ongoing obligations, including submitting an annual report and fee to the California Department of Business Oversight (“DBO”), maintain books and records and notify DBO of any changes in its directors and officers. In addition, Radium2 is also subject to requirements related to advertising, including limitations on advertising rates of interest and making advertising materials available for the DBO’s review, upon request. The CFL imposes both civil and criminal penalties for failure to comply with its requirements. If a California court finds that Radium2 willfully violated the CFL when making or collecting loans, the funding contract is void and no person has any right to collect or receive any principal, charges or recompense in connection with the transaction. A “willful” violation results in a penalty of up to ten thousand dollars (\$10,000) and up to one (1) year imprisonment. Radium2 will ensure compliance with California lending regulations in the event that any court within the state of California finds a Merchant Cash Advance to be considered a loan.

Purchases Volatility Risk. The amount of customer purchases at a given business tends to change rather frequently, with fluctuations occurring daily. Therefore, there is no guarantee that a certain daily payment, as agreed to in the terms, will remain stable. The volatility of the market and conditional repayment terms of Merchant Cash Advances can cause the expected repayment term to vary. A Merchant Cash Advance may result in a loss or total loss within a short period of time if the Merchant is unable to maintain the business. Such volatility stems from various sources, including market information, supply and demand for a particular product and national and international news.

Fraud Risk and Inaccurate Valuations. The required information to be provided by a Merchant for a Merchant Cash Advance is less stringent and differs from traditional capital advances and loans from institutional lenders, giving rise to numerous risks. These risks include, but are not limited to, Radium2 receiving fraudulent or inaccurate financial data from the Merchant, transacting with a

Merchant who has historical and/or current credit related issues and market shifts which may outdate the market research Radium2 uses to create its approval methodology. Although the Uniform Commercial Code governs Merchant Cash Advance transactions as a commercial transaction and provides for certain legal protections, the lack of collateral required in Merchant Cash Advance transactions presents a risk of total and unrecoverable loss.

Concentrated Merchant Cash Advance Investments. Merchant Cash Advance opportunities may arise at unpredictable intervals, creating a risk that Radium2's investments may become concentrated in a limited number of Merchant Cash Advances. Such limited investment diversification may result in the high concentration of risk, which, in turn, could expose Radium2 and the Fund to significant or total losses.

Alternative Financing Options for Small Businesses. The Merchant Cash Advance industry has grown in the recent years following the 2008 global financial crisis, when receiving a loan from traditional money lenders (e.g. banks) became more difficult. However, the benefit of the increased demand for business financing is not exclusive to the Merchant Cash Advance industry. Other alternative funding options offer many of the same benefits with a greater chance of approval, greater flexibility and faster funding, including: (i) crowdfunding, which gives Merchants the opportunity to raise capital through the collective effort of a large group of individuals; (ii) an investment from an "angel investor" or an entrepreneur who provides capital in exchange for equity; and (iii) receiving a small business loan from the U.S. Small Business Administration (SBA), which guarantees funds to qualifying Merchants. These growing avenues in small business financing increase overall competition in the market for alternative funding.

Participation with Other Funders and Soft Underwriting. Radium2 will participate in Merchant Cash Advances originated by another Funder. As of the date hereof, approximately fifty percent (50%) of the Merchant Cash Advances funded by Radium2 are sourced by other Funders. Radium2 will determine whether to participate based on the information provided by the other Funder in conjunction with its own limited evaluation of the Merchant. The analysis conducted by Radium2 is not as extensive as when Radium2 originates the Merchant Cash Advance, relying primarily on the underwriting process of the other Funder. In addition, the other Funder shall have the full authority in the following areas: (i) collection of capital, (ii) remittance schedules and (iii) remittance activity. The other Funder may not have the same policies and procedures as Radium2 in these areas.

No assurance can be guaranteed that the other Funder will evaluate a Merchant to the same standards upheld by Radium2. Assessing the credibility of the Merchant and its ability to generate revenues is crucial to the success of collecting future receivables. If the other Funder does not accurately evaluate a Merchant and the Merchant defaults, this could result in a partial or complete loss to the Fund.

Risks Associated with Asset Based Loans

Credit Risk. Credit risk is the most significant risk associated with Asset Based Loans. A Merchant may not be strong financially, may operate in a highly volatile or seasonal industry or may be experiencing rapid growth. Characteristics of a high default risk include high leverage, erratic cash flows, limited working capital and constantly changing collateral pools. If properly controlled, an Asset Based Loan can result in lower losses in the event of default when compared to other types of lending. An Alternative Business Loan's reliance on controls and monitoring, however, can pose a higher risk if the facility is not properly underwritten, structured and administered. Credit risk can be posed by a Merchant's inadequate accounting and inventory control systems, poor credit and

collection practices, fraud, the failure of a major customer, inaccurate collateral valuation or lack of marketability and prior liens.

Operational Risk. Operational risk is inherent in a lender's Asset Based Loan systems, staff and management oversight. A failure of any of these can result in higher losses than other forms of lending. Due to the nature of Asset Based Loan lending, risk of loss due to operational failure is elevated by inadequate controls for collateral or customer remittances and in effective monitoring of a Merchant's financial condition.

Compliance Risk. An Asset Based Loan is subject to the same regulatory and compliance issues as other types of commercial lending. Given the emphasis on collateral and the typically higher borrower risk profile, an Asset Based Loan can be more vulnerable to certain aspects of compliance risk, including the termination of credit facilities, debt liquidation and compliance with state and federal laws and regulations. A Merchant's financial position could be compromised if the Merchant does not establish and follow appropriate policies and procedures. In certain circumstances, a lender may find it necessary to terminate funding and liquidate collateral due to the borrower's financial difficulties, which can make a lender vulnerable to liability suits.

Strategic Risk. Asset Based Loans should be compatible with a lender's strategic goals and direction. A lender's management and staff must have the knowledge and experience to recognize, assess, mitigate and monitor the risks unique to Asset Based Loans. This requires a continuing investment in the personnel and systems necessary to maintain a sound and profitable operation. If a lender engaged in this type of lending without a well-developed understanding of the risks inherent in Asset Based Loans and a commitment to making the investment required for effective operations, a significant strategic risk is created.

Reputation Risk. Actions taken by a lender to protect its interests, such as the termination of a credit line or seizure and liquidation of collateral, can diminish a lender's reputation as well as inefficient loan delivery systems and lender liability lawsuits. If a lender fails to meet its legal or fiduciary responsibilities in executing these activities, a lender may damage its reputation and impair its ability to compete successfully in this line of business. In addition, while a majority of Asset Based Loans serve legitimate business purposes, a lender may be exposed to significant reputation and legal risks if it enters into transactions without sufficient due diligence, oversight and internal controls.

Cybersecurity. The operations of the Firm, Firm affiliates and Funds are dependent on technology and communication systems which are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Firm and its service providers use to service Radium and its Funds. Cyberattacks against or security breakdowns of Radium or its service providers may adversely impact Radium or Funds. Radium may also incur additional costs for cybersecurity risk management purposes. Radium cannot control any cybersecurity plans or systems implemented by its service providers. There can be no assurance that a Fund or Radium will not suffer losses relating to cyberattacks or other information security breaches in the future. Furthermore, Radium and its Funds may be adversely affected should the Firm suffer a cyber related event that materially impacts its business.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of the Firm's

management. The Firm has no information applicable to this Item. The Firm or its principal have had no legal or disciplinary events that would be material to a client's evaluation of the Firm or the integrity of the Firm's management.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliations

As a registered investment adviser, the Firm is required to disclose any financial industry activities and affiliations that are material to the Firm's business for your evaluation of the Firm.

Radium Management, LLC, a related person of the Firm, serves as the general partner of RAFFI, a fund advised by the Firm. Radium Management, LLC is owned by Troy Caruso. Radium Management receives the performance allocation described in Item 6 hereof. Although such fees are generally paid by a Fund, the costs are ultimately borne by the members. These fees will be in addition to the management fee payable to the Firm as set forth in the Advisory Agreement.

Radium2 is indirectly owned by Troy Caruso, managing member of the Firm. Troy Caruso has ownership interests in certain ISO's that are compensated for sourcing Merchant Cash Advance investments. Accel Capital Inc., CorFunding LLC and iAdvance Now Inc. are the affiliated ISO's.

Financial Industry Activities

Radium Asset Management, LLC serves as an Investment Adviser to Viking Energy Group, Inc. ("**Viking**"). The Firm renders advice to Viking with respect to potential acquisitions and investment opportunities, potential merger opportunities and prospective transactions, pursuant to the non-discretionary advice of the Firm. Viking represents that it has control or management of the assets retained, including the power to acquire or dispose of such assets retained.

At times, the Firm or its employees may purchase, sell or hold securities of a Merchant that Radium2 may provide a Merchant Cash Advance to, which may pose a conflict of interest. Troy Caruso, the Chief Executive Officer of Radium2 and the managing member of the Firm, has a material financial interest in Viking, both personally and in his capacity as Chief Executive Officer of Radium2, which is described in detail below.

Specifically, Mr. Caruso, in his individual capacity, owns 562,683 shares of Viking's common stock. Mr. Caruso is also the holder of that certain promissory note issued by Viking dated June 6, 2018 (the "**Caruso Note**"), that entitles Mr. Caruso to purchase additional shares of Viking's common stock by converting a portion of the interest under the Caruso Note. At present, the Caruso Note remains outstanding and shall mature on February 11, 2022. In addition, Troy Caruso Inc. ("**TC Inc.**") is a New York corporation wholly owned by Mr. Caruso. TC Inc. owns 10,769,034 shares of Viking's common stock.

Axe Capital Solutions Inc. ("**Axe**") is a New York corporation owned by Mr. Caruso, Idress Hamid and Belal Ayoub. Axe owns 980,000 shares of Viking's common stock and is the holder of that certain promissory note issued by Viking dated June 6, 2018 (the "**Axe Note**"), that entitles Axe to purchase additional shares of Viking's common stock by converting a portion of the interest under the Axe Note. At present, the Axe Note remains outstanding and shall mature on February 11, 2022.

Moreover, Radium2 owns 21,373,320 shares of Viking's common stock and is the holder of that certain promissory note issued by Viking on March 3, 2020 (the "**Radium Note**"). At present, the Radium Note remains outstanding and shall mature on February 11, 2022. The Firm owns

10,573,405 shares of Viking's common stock. This creates a potential conflict of interest because Mr. Caruso's ability to advise Radium2 to approve funding a Merchant Cash Advance with Viking can directly and indirectly benefit Mr. Caruso's position, in his personal capacity and through his ownership of Axe, in Viking.

To mitigate these potential conflicts, Radium2 has established an Investment Committee to review all related party transactions to ensure any Merchant Cash Advance that may be provided to Viking meets the underwriting standards that are applicable to all Merchants.

The Firm is not a broker-dealer; nor is it affiliated with any broker-dealer. None of the Firm's management persons are registered representatives of a broker-dealer. Neither the Firm nor any of the Firm's management persons are registered, or have an application pending to register as a futures commission merchant, a commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

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

Code of Ethics

The Firm has adopted a Code of Ethics (“Code”) that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with the Firm, and establishes procedures intended to prevent the Firm, and its personnel and certain relatives, from inappropriately benefiting from the Firm's relationships with its clients. The Code provides that the Firm and its employees must (i) place clients' interests ahead of the Firm's or employees' interests; (ii) engage in personal investing that is in full compliance with the Code; (iii) avoid taking advantage of their position as investment managers; and (iv) maintain full compliance with Relevant Securities Laws.³

The Code also includes provisions relating to the confidentiality of client information, conflicts of interest, political contributions and a gifts and entertainment policy.

All employees are required to certify that they are in compliance with the Code. Any violation of this Code may warrant disciplinary actions at management's discretion, including suspension or dismissal.

Clients may request a copy of the Code by submitting a written request to the Firm at the address on the cover page to this Brochure.

Interests in Client Transactions

The Firm renders non-discretionary investment advice on a consulting basis to Viking with respect to potential acquisitions and investment opportunities, potential merger opportunities and prospective transactions. Viking represents that it has control or management of the assets retained, including the power to acquire or dispose of such assets retained.

³ “Relevant Securities Laws” means all relevant state securities laws and regulations, the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, the Investment Company Act of 1940, the Investment Advisers Act of 1940, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the Commission under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers, and any rules adopted thereunder by the Commission or the Department of the Treasury.

In addition, Radium2 may provide a Merchant Cash Advance to Viking, which may pose a conflict of interest. Employees receive training on material non-public information, and are required to request pre-approval prior to purchasing or selling shares of Viking. Troy Caruso, the Chief Executive Officer of Radium2 and the managing member of the Firm, has a material financial interest in Viking, both personally and in his capacity as Chief Executive Officer of Radium2, more fully described in Item 10.

The Firm and its related persons do not buy securities from or sell securities to the Funds as principal.

Item 12 – Brokerage Practices

Currently, the Firm does not invest the Funds' assets directly in securities. Security holdings in Radium2 are owned by senior management of Radium2. The Firm does not use or select broker-dealers on behalf of the Funds.

Research and Other Soft Dollar Benefits

The Firm does not currently receive brokerage or research services (“**Soft Dollar Services**”) from firms that are paid for with credits earned (“**Soft Dollars**”) through commissions generated by portfolio transactions.

Item 13 – Review of Accounts

All accounts are reviewed on a regular basis to determine their conformity with risk parameters, investment objectives and guidelines. The portfolio manager receives weekly updates of portfolio positions and transactions for which the portfolio manager is responsible. All accounts are reviewed in light of emerging trends and developments as well as market volatility.

Investors in RAFFI will receive quarterly statements indicating their capital balances and their account's balance sheet and income statement. Investors in Radium2 receive reports at least weekly showing realized gains and losses and the account's performance for the period.

Item 14 – Client Referrals and Other Compensation

The Firm has not in the past, but may in the future compensate affiliates or non-affiliates for client referrals in accordance with Rule 206(4)-3 under the Advisers Act. The compensation paid to any such entity will typically consist of a payment stated as a percentage of the management fee. Third parties who refer or help solicit clients may also be compensated based on a percentage of the advisory or management fee charged to that client. When required under the law, the policies and procedures require regulatory disclosure of the compensation arrangement between the Firm and the referring party.

Item 15 – Custody

Investment advisers who have custody of client assets are generally required to maintain all client assets with a qualified custodian as defined in the Rules, such as trust companies and banks, and either: (i) have a reasonable belief that the custodian will deliver quarterly statements directly to clients; or (ii) deliver quarterly statements, themselves (the adviser), so long as they have an independent public accountant conduct an annual surprise examination to verify the clients' assets.

Pursuant to Rule 206(4)-2 of the Investment Advisers Act (as amended) the (“**Adviser’s Act**”), the Firm and Radium2 do maintain custody of client assets. The cash and securities of Radium2 are held by an unaffiliated qualified custodian.

The Funds have engaged an independent public accountant registered with, and are regularly examined by, the Public Company Accounting Oversight Board (“**PCAOB**”) to conduct an annual financial audit of the vehicles, prepared in accordance with U.S. Generally Accepted Accounting Principles (“**GAAP**”). Investors in the Funds receive audited financials within 120 days of the Fund’s fiscal year.

Item 16 – Investment Discretion

The Firm has discretionary authority to effect transactions on behalf of the Funds. Investors in the Fund grant authority to the Fund to enter into an advisory agreement with the Firm by executing the relevant subscription agreement. The Firm has discretion to allocate Investors’ capital into Merchant Cash Advance deals. The Firm exercises its investment discretion in accordance with the investment strategy of RAFFI and Radium2.

The Firm provides non-discretionary investment advisory services on a consulting basis to a client under a separate advisory agreement.

Item 17 – Voting Client Securities

The Firm will not vote client proxies as it only invests the assets of the Funds.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Firm’s financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

The Firm does not require or solicit prepayment from its clients, and therefore a balance sheet is not required to be provided for the most recent fiscal year.