



AlphaCat Managers Ltd.

29 Richmond Road

Pembroke HM 08 Bermuda

Phone (441) 278 9030

WWW.VALIDUSHOLDINGS.COM

This brochure (“Brochure”) provides information about the qualifications and business practices of AlphaCat Managers Ltd. (“AlphaCat Managers”) and its affiliates, including but not limited to AlphaCat Capital Inc., (“AlphaCat Capital”) a separately registered investment adviser operating in New Jersey (together AlphaCat Managers and AlphaCat Capital are referred to as the “Advisors”). For more information on the disclosure requirements see the “General Instructions for Part 2 of Form ADV” by visiting www.sec.gov/rules/final/2010/ia-3060.pdf. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Mr. Robert Kuzloski at (441) 278 9000 or email robert.kuzloski@validusholdings.com.

Additional information about AlphaCat Managers is also available on the SEC’s website at: www.adviserinfo.sec.gov.

AlphaCat Managers is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and also conducts business under the name AlphaCat. Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority. The web site referenced above is controlled and operated by Validus Holdings, Ltd., a public company listed on the New York Stock Exchange (NYSE:VR) and is the primary owner and the controlling affiliate of Validus Ventures, Ltd which wholly owns AlphaCat Managers.

Item 2: Material Changes

AlphaCat Managers has retained the services of its affiliate, AlphaCat Capital, an investment adviser registered with the SEC and located in New Jersey, as described further in Item 4 and Item 10.

AlphaCat Managers has updated the Regulatory Asset Under Management in Item 4.

AlphaCat Managers has no further material changes to report, since the filing of Form ADV in March 2015 and July 2015. AlphaCat Managers encourages all recipients of this Brochure to read it carefully in its entirety.

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Item 4: Advisory Business

AlphaCat Managers is an investment management firm organized as a Bermuda exempted company in July 2008. AlphaCat Managers specializes in providing investment advisory services in risk-linked instruments that enable access to property catastrophe insurance and reinsurance-linked assets and securities. Shares are offered exclusively on a private basis to a limited number of sophisticated qualified institutional and high net worth clients.

AlphaCat Managers is wholly owned by Validus Ventures, Ltd., a Bermuda based company that is wholly owned and controlled by Validus Holdings, Ltd. (“Validus”) a publicly traded company (NYSE:VR) and provider of property catastrophe, marine and energy and other specialty short-tail lines of re-insurance.

AlphaCat Managers engages AlphaCat Capital as a non-discretionary sub-adviser to its Clients and Funds. AlphaCat Capital is separately registered with the SEC and is based in Franklin Lakes, New Jersey, operating from offices shared with a financial affiliate, Western World Insurance Group. AlphaCat Managers provides investment advisory services to AlphaCat Diversified Fund Ltd., AlphaCat Advantage Fund Ltd., AlphaCat Prima Fund, Ltd., AlphaCat 2013 Ltd., AlphaCat 2014 Ltd., AlphaCat 2014-2 Ltd., AlphaCat 2015 Ltd., AlphaCat Soteria Fund Ltd., BetaCat Fund Ltd., BetaCat Feeder Fund I Ltd, and AlphaCat Master Fund Ltd. (collectively the “Funds”) and separately managed accounts for institutional investors (“Clients”) who have engaged AlphaCat Managers as an investment adviser or investment manager. AlphaCat Managers also performs its advisory services under the name AlphaCat. AlphaCat Managers sponsors the Funds as well as acting as the investment manager. AlphaCat Managers also constructs portfolios involving traditional reinstatement reinsurance contracts and collateralized reinsurance arrangements sourced through our licensed reinsurer. In addition, AlphaCat Managers structures insurance related investments in other vehicles or accounts which are not investment companies or “private funds”, as those terms are defined by the U.S. Securities and Exchange Commission (“SEC”).

Each Fund is open for investment only by qualified institutional or high net worth investors that meet the investor restrictions as set forth in the applicable Fund's subscription documents. The shares of the Funds are offered only to: (i) Non-U.S. Persons who are “qualified participants,” as defined in the Bermuda Investment Funds Act 2006 and (ii) U.S. Persons who are “qualified purchasers,” as defined in the U.S. Investment Company Act of 1940 Act, as amended (the “U.S. Company Act”), “accredited investors,” as defined in Regulation D under the U.S. Securities Act of 1933, as amended, and “qualified participants,” as defined in the Bermuda Investment Funds Act 2006. At the time of this filing, none of the Funds have been sold to U.S. persons, therefore Form D has not been filed with the SEC. The Funds will conduct trading activity pursuant to the investment strategies described generally below. Funds may be organized and offered for private investors generally, or may be customized for single investors or groups of investors as agreed with AlphaCat Managers.

AlphaCat Managers specializes in providing investment advisory services in property catastrophe event-linked insurance and reinsurance risk exposures including, but not be limited to, the following types of investments (together, “Risk-Linked Instruments”):

- private collateralized reinsurance arrangements sourced in traditional property catastrophe reinsurance markets, including reinstatement premium protection reinsurance contracts;
- Catastrophe bonds (principal-at-risk variable rate notes and other event-linked securities) being referred to collectively as “Cat Bonds”);
- Industry loss warranties (both indemnity-based and non-indemnity-based) binary reinsurance or derivative contracts triggered by industry-wide insurance losses (referred to collectively as “**ILWs**”);
- Exchange or over-the counter traded event-linked futures or derivative contracts; and
- Shares of special purpose reinsurers and other securities or instruments the return on which is linked to the occurrence of a predetermined event.

The Funds themselves do not carry out insurance or reinsurance business in or from within Bermuda. All private collateralized reinsurance arrangements sourced in traditional property catastrophe reinsurance markets, including reinstatement premium protection reinsurance contracts business are entered into by AlphaCat Reinsurance Ltd., (“AlphaCat Re”). AlphaCat Re was incorporated in January 2009 and is registered in Bermuda as a Class 3 insurer under the Bermuda Insurance Act 1978. AlphaCat Re enables the Funds to participate in risks linked to traditional, fully-collateralized reinsurance contracts and indemnity-based ILW transactions through the issuance of variable funding notes. AlphaCat Re does not issue interests in itself and is not a private fund as defined by the SEC.

The Funds typically invest in Cat Bonds, non-indemnity based ILWs, event-linked futures and derivatives through AlphaCat Master Fund Ltd. (“Master Fund”). Master Fund was incorporated on July 23, 2008 as a Bermuda exempted, mutual fund company. The Master Fund operates as a special purpose vehicle issuing variable funding notes in relation to specific investments. The Funds may also, from time to time, invest directly in non-indemnity based Risk-Linked Instruments, including Cat Bonds and direct investments in shares of special purpose reinsurers.

The respective Funds’ interests in Risk-Linked Instruments of AlphaCat Re and Master Fund are documented through variable funding notes purchased from the respective vehicle which originated the investment, subject to the investment guidelines for the applicable Fund. Some Funds and investment vehicles may have the ability to purchase catastrophe bonds and non-indemnity based contracts directly rather than through the Master Fund. The investments originated for all of the Funds are selected and managed by AlphaCat Managers.

AlphaCat Managers generally invests collateral, unearned premiums and uninvested assets of a portfolio in:

- Money market funds rated AAAm or Aaa-mf and holding primarily national government obligations;
- Direct US Treasury obligations or direct obligations of an OECD member country rated at least AA-/Aa3;

- Cash held by a bank rated at least AA-/A3; and
- Collateral pool guaranteed by a financial institution rated at least A-/A3.

AlphaCat Managers does not tailor its advisory services to the individual needs of Investors (although AlphaCat Managers' advisory services are tailored to meet the investment mandates of the Funds, as described in the Funds' Offering Documents). The Investors may not restrict investments by the Funds in any capacity.

The Funds have entered into side letter agreements with certain Investors. Such agreements may provide such Investors with additional notification and disclosure rights and special fee arrangements (but not preferential liquidity terms), among others. The Funds generally enter into side letters only with Investors who make substantial commitments of capital.

AlphaCat Managers does not participate in wrap fee programs.

AlphaCat Managers manages approximately \$1,934,910,069 in Regulatory Assets Under Management ("RAUM"), calculated as of July 31, 2015. RAUM is a defined term of the SEC that reflects cash and securities managed for clients as well as all assets of a "private fund" as the SEC defines that term, on a leveraged or gross basis as reflected on the gross asset value line of the balance sheet of the Funds. AlphaCat Managers also provides advice on structuring various insurance portfolios, which fall outside of the RAUM definition.

Item 5: Fees and Compensation

AlphaCat Managers and/or its affiliates are compensated for the services performed by way of management fees and performance fees. Because this Brochure is being delivered only to "qualified purchasers" under the 1940 Act, AlphaCat Managers is not required to provide a fee schedule for the Funds. The fee rates and method of calculation and payment are set forth in the applicable Fund Offering Document. Management fees vary between 1 and 1.5% per annum, payable monthly in arrears. Performance fees are charged on a percentage of appreciation above a high water mark, and vary from 0% to 15%, depending on the Fund or Client vehicle involved. Investors should consult the applicable Fund Offering Documents or investment management agreement for more detail. Investors bear the cost of fees payable and performance fees made to AlphaCat Managers as such amounts reduce the pro rata returns. AlphaCat Managers and its affiliates, may also receive a percentage of the premium in relation to reinsurance products and insurance underwriting fees.

AlphaCat Managers reserves the right to waive or reduce management fees or performance fees with respect to any Investor, including its principals, employees and affiliates as may be determined in AlphaCat Managers' sole discretion from time to time. In general, investments by principals and employees of AlphaCat Managers or their respective affiliates will not be subject to management fees or performance fees.

Management (or underwriting fees) and performance fees may be charged on investment vehicles and such fees are negotiated separately for each vehicle.

Management fees and performance fees are deducted from Investors' assets invested in the Funds. Investors do not have the ability to choose to be billed directly for fees incurred.

As described above, the management fee generally is paid monthly in arrears, while the performance fees are paid for each period ending December 31 in each year, or, in the event of a redemption or withdrawal on a date other than December 31, in respect of the period ending as of the date of such redemption or withdrawal with respect to the amount redeemed or withdrawn portion.

The Funds are responsible for the fees of their administrator, banks and custodian, as well as all other ongoing operating costs and expenses of the Funds. Please see Item 12 of this Brochure for further discussion of brokerage and other acquisition costs. In general, standard brokerage expenses are 5-10% or less of the premium for collateralized reinsurance transactions. Other expenses include: administrative expenses (e.g., administrative, legal, accounting, auditing and other expenses), registration, regulatory and self-regulatory fees, trustee and letter of credit fees in respect of collateral arrangements, custodial fees, premium or other taxes, and extraordinary expenses, if any. The foregoing expenses are exclusive of, and in addition to, the management and performance fees of the Manager. AlphaCat Managers does not receive any portion of the foregoing expenses.

Investors should refer to the relevant Fund Offering Documents for a complete understanding of fees and expenses they may pay. The information contained herein is a summary only and is qualified in its entirety by such documents.

AlphaCat Managers does not charge Fund or Client fees in advance. Because we do not require Funds or Clients to pre-pay fees there is no opportunity to obtain a refund.

Neither AlphaCat Managers nor its supervised persons accept compensation for the sale of securities or other investment products.

Item 6: Performance Based Fees and Side-by-Side Management

As discussed in Item 5, AlphaCat Managers may receive a performance fee based on the appreciation in the net asset value of investments or shares in a Fund. The performance fee is assessed on both realized and unrealized gains, and accordingly, an incentive allocation or performance fee may be paid on gains which may subsequently never be realized. The performance fee may create a conflict of interest in that there may be an incentive for AlphaCat Managers to make investments for the Funds which are riskier than would be the case in the absence of a fee based on performance. The Fund Offering Documents describe in detail how performance-based compensation is charged and disclose the risks associated with such performance-based compensation prior to making an investment.

AlphaCat Managers does not currently manage any separate accounts on a side-by-side basis with the Funds.

Item 7: Types of Clients

AlphaCat Managers provides investment advice primarily to privately offered pooled investment vehicles open for investment by sophisticated institutional and high net worth investors, as described in this Brochure and Clients who meet certain the qualified purchaser standard, as that term is defined by the SEC. Investors will be required to satisfy certain minimum regulatory requirements and make the minimum investment required for the particular Fund. See Item 4 – Advisory Business above.

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

A. Methods of Analysis and Investment Strategies. AlphaCat Managers' strategy is to provide investors with returns that are not significantly correlated to traditional financial markets by constructing a portfolio of risk-linked instruments that enable access to the broad universe of property catastrophe risks. AlphaCat Managers advises its Clients and Funds regarding the investment instruments in which the Clients and Funds will invest, and on what terms, pursuant to the investment objectives and strategies to be employed by the particular Client or Fund. AlphaCat Managers utilizes the analytical, risk-sourcing and selection capabilities available within the Validus group. Investors should be aware that investing in securities involves risk of loss that they should be prepared to bear.

B. Risk of Loss. The purchase of shares or interests in a Fund involves a number of significant risks and other important factors relating to general business conditions and investments in pooled investment vehicles, generally, and relating to the structure and investment objectives of the Fund, in particular. Accordingly, investors should carefully consider the following risks, among others that are disclosed in more detail in the Fund Offering Document:

Reliance on Adviser and its Personnel. AlphaCat Managers has complete discretion in investing its Clients' and Funds' assets. A Client or Fund account's success depends, to a great extent, on AlphaCat Managers' ability to select investments and allocate assets. There can be no assurance that AlphaCat Managers will be successful. The death, disability or cessation of employment of personnel of AlphaCat Managers could have a material adverse effect on the investment performance of AlphaCat Managers' Clients and Funds.

Restricted Liquidity and Limited Transferability of Fund Interests. Investors are not able to redeem or withdraw their shares or interests in a Fund, except periodically upon notice as set forth in the governing documents of the Fund, and subject to other limitations or conditions on the ability to receive redemption or withdrawal proceeds. There is no market for Fund shares or interests, and investors are not permitted to assign or transfer their Fund shares or interests, except with AlphaCat Managers' prior written consent, which it may withhold.

Special Investments. Pursuant to the terms of and as described in more detail in the Fund's governing documents, the Funds may issue non-redeemable, non-voting, participating shares ("SI Shares") to existing shareholders in respect of their participation in Special Investments which are illiquid or incapable of ready valuation. SI Shares are not offered separately but rather are issued to existing Shareholders in exchange for a portion of their Shares. Only Shareholders which are

Shareholders at the time that SI Shares are issued will participate in the underlying Special Investments. Investors may not redeem their SI Shares in a Fund and investors will be required to hold such SI Shares indefinitely, until the underlying recovery investment is realized or capable of ready valuation.

Lack of Diversification. Depending on the investment objectives, strategies and guidelines of the particular Client or Fund account, AlphaCat Managers may establish fixed guidelines limiting the amount of Client or Fund assets that may be subject to the risks in a particular geographic region or peril and limiting the size of certain portfolio positions as a percentage of the Client or Fund account's net assets. However, such guidelines may nevertheless allow a Client or Fund account to hold a single or few relatively large (in relation to its assets) investments in a single geographic region, with the result that a loss in any such investment position or group of positions could have a material adverse effect on the Client or Fund account's investment performance.

Exchange Rate Risk. The Funds and Clients may invest in non-U.S. instruments that are denominated or quoted in non-U.S. currencies, whereas the functional currency of the Fund or Client is denominated in U.S. dollars, performance may be significantly affected, either positively or negatively, by fluctuations in the relative currency exchange rates and by exchange control regulations. To the extent the Fund or Client seeks to hedge its currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Fund or Client may incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies

Absence of Regulation. The Funds are privately offered pooled investment vehicles that do not have the regulatory protections afforded to U.S.-registered investment companies or other similar vehicles. The Funds' shares or interests are not registered for sale to the public in the United States or in any jurisdiction.

Conflicts of Interest. AlphaCat Managers is subject to various conflicts of interest in its relationship with the particular Client and Fund accounts and other operating entities of the Validus group. AlphaCat Managers and other Validus operating subsidiaries may both utilize analytical and underwriting resources to analyze whether to invest in, as well as how to value, Risk-Linked Instruments. Although the Funds and other Validus group subsidiaries will generally accept risk pursuant to different types of legal formats (e.g., fully-collateralized Risk-Linked Instruments being acquired by the Funds and Clients as opposed to traditional uncollateralized reinsurance contracts written by other Validus operating companies), there may be situations in which Validus and the Funds and Clients have competing interests. AlphaCat Managers manages a number of different Client and fund accounts with similar or different investment objectives, strategies and guidelines, which may compete with other Client and Fund accounts and present conflicts in the allocation of investment opportunities.

C. Specific Risks of Loss.

There are various material risks that are attendant to the specific Risk-Linked Instruments utilized by AlphaCat Managers for its Client and Fund accounts of which investors should be aware.

Certain of these risks are set out below. For a more complete statement of the risks related to the Funds' investments, please refer to the applicable Fund Offering Documents.

Risk of Loss Due to Catastrophic Events. Client and Fund accounts may invest in Risk-Linked Instruments, the investment returns of which are related to the occurrence of catastrophic or other events. Such instruments may be subject to the risk of sudden, total loss or reduction of principal and/or interest due to the occurrence of catastrophic or other events. Accordingly, such instruments are speculative, and the Client and Fund accounts could lose all or part of the principal or interest, or an amount in excess of any premium collected with respect to such instruments upon the occurrence of a catastrophe or other event. These, as well as other factors, can cause sudden and severe price movements in Risk-Linked Instruments

Unpredictability of Risk. With respect to Risk-Linked Instruments, prospective investors should be aware that the type, frequency and severity of naturally occurring catastrophic events are difficult to predict. While the economics of such instruments may rely on the occurrence or non-occurrence of certain catastrophic or other events, such events are difficult to predict or model, and thus the expected return on an investment with respect to such instruments is difficult to calculate. Certain Risk-Linked Instruments may include exposure to the risk of loss from certain acts of terrorism or other non-elemental events, the occurrence and quantification of which may be difficult or impossible to predict. While AlphaCat Managers will make assessments regarding the expected investment return on Risk-Linked Instruments, because of the unpredictability of the catastrophic or other events upon which investment return may be based, there can be no assurance that the investment return provided by such instruments will be adequate to compensate Clients or Funds for the risk borne thereby.

Cat Bonds and Derivative Instruments; Counterparty Default Risk. Client and Fund accounts may invest in various forms of over-the-counter securities and derivative instruments (such as swaps, over-the-counter variable rate notes and other event-linked securities and derivatives). Over-the-counter derivative instruments and securities are not traded on an exchange or subject to direct government regulation. Rather, these instruments are traded through an informal network of banks and other dealers, and in light of the unregulated nature of the agreements evidencing the transactions, can apply discretionary margin and credit requirements. Also, some instruments traded in the over-the counter market may have fewer market makers, wider spreads between their quoted bid and asked prices and lower trading volumes, resulting in comparatively greater price volatility and less liquidity than the securities of companies that have larger market capitalizations and/or that are traded on major stock exchanges or the market averages in general.

Credit Ratings. Credit ratings risk is inherent in certain of the insurance-based instruments that will be part of the Clients' and Funds' investment portfolios (e.g., catastrophe bonds and other insurance-linked securities offered by special purpose entities). When possible, decisions to invest in these securities will take into account any credit ratings issued by major rating agencies, such as Moody's, or Standard & Poor's. Because not all of the instruments that will comprise a Client's or Fund's portfolio are expected to be rated, AlphaCat Managers will be guided by its internal guidelines for acceptable ratings surrogates. However, the insurance-based instruments in which the Clients and Funds invest need not have any particular rating of creditworthiness.

Risks Specifically Associated with Risk-Linked Instruments. Ownership of insurance-linked or Cat Bond securities involves a degree of risk because of a number of characteristics which may be common to such securities, such as the following:

- **Limited Resources of Issuers.** The issuers of such securities often are thinly capitalized, special-purpose entities that do not have ready access to additional capital. In the event of unanticipated expenses or liabilities, such entities may not have the resources available to pay such expenses or liabilities or the required interest and/or principal on their issued securities.
- **Investments of Issuers.** The ability of issuers of insurance-linked or catastrophe securities to provide the expected investment returns on their issued securities is based in part on such entities' investments, which may be subject to credit default risk, interest rate risk and other risks.
- **Regulation.** Entities that issue insurance-linked or catastrophe securities may be subject to substantial regulation of their insurance and other activities. Such regulation can lead to unanticipated expenses that may result in such an entity being unable to satisfy its obligations, including those related to its issued securities. Conversely, because such entities often are domiciled in non-U.S. jurisdictions, such entities may not be subject to the same degree of regulatory oversight to which investors may be accustomed to seeing issuers and insurance companies subject in the U.S. Similarly, because such entities often are subject only to the laws of non-U.S. jurisdictions, it could be difficult for an investor in such an entity to make a claim or enforce a judgment against the entity or its directors or officers. Because insurance-based instruments have certain features and an investment return that may be based on the occurrence of events which traditionally are the subject of insurance, it is possible that insurance regulatory authorities or courts could determine that the purchase or holding of such securities or the writing of such derivatives constitutes the conduct of the business of insurance or reinsurance, which may have a material adverse impact on Client accounts.
- **Subordination.** Insurance-linked or catastrophe securities often are subordinated to other obligations of the issuer, such as those obligations to a ceding insurer. Consequently, if such an entity incurs unexpected expenses or liabilities in connection with its activities, the entity may be unable to pay the required interest and/or principal on its issued securities.

The foregoing is only a brief summary of certain risks relating to the Funds, Client accounts and their investments. Prospective investors are urged to review the applicable Fund's Offering Document and other governing documents for more detailed statement of the material risks, conflicts of interest and terms of investment in the Fund. Client's should review their investment management agreement and investment qualifications carefully. There can be no guarantee that AlphaCat Manager's investment recommendations will be successful or that a Fund's or Client's investment objective will be achieved.

Item 9: Disciplinary Information

Neither AlphaCat Managers nor any of its officers, directors, employees or other management persons or affiliates, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Neither AlphaCat Managers, AlphaCat Capital nor any of its management personnel are registered with, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

AlphaCat Managers is registered, as a commodity pool operator with the U.S. Commodity Futures Trading Commission (the “CFTC”) as commodity pool operators. Certain of AlphaCat Managers’ management personnel are, concurrent with such registration application, registered with the CFTC as associated persons of such entities, and/or as applicable members of the National Futures Association.

AlphaCat Managers organizes and sponsors the Funds, for which it serves as discretionary Investment Manager.

AlphaCat Capital would be a “relying adviser” of AlphaCat Managers under the terms of the 2012 ABA No Action letter, but for AlphaCat Managers having its principal office and place of business outside of the United States. In addition, AlphaCat Capital would be considered to be a related adviser under rule 203A-2(b), if it had its primary office and principle place of business in Bermuda. All books and records in relation to AlphaCat Capital are maintained electronically and in joint custody accessible by both Advisors. AlphaCat Capital and its personnel provide the following advisory services to AlphaCat Managers:

- Portfolio strategy and development for existing AlphaCat Managers clients;
- Evaluation of individual reinsurance or cat bond transactions, including general discussions with reinsurance brokers about the Advisors strategies;
- Participation, as a coordinator, in the AlphaCat Managers investment committee;
- Participation in the Fair Valuation Working Group of AlphaCat Managers;
- Communication with existing Fund investors;
- Developing new investment products for the Advisors; and
- Structuring the Advisors’ products.

Potential and existing Investors and Clients should carefully read the Brochure for each of the Advisors. The Advisors are: (i) are subject to a unified compliance program;(ii) advise only private funds and certain separate accounts maintained on behalf of qualified clients; (iii) use the same or similar names; and/or (iv) hold themselves out to current and prospective private fund

investors and advisory clients as conducting a single advisory business because they share personnel and resources.

AlphaCat Managers also acts as an insurance manager to AlphaCat Re Ltd, a Class 3 licensed Bermuda Insurer and PaCRe Ltd a Class 4 licensed Bermuda Insurer. All of the outstanding voting shares of AlphaCat Re Ltd are held by AlphaCat Managers Ltd. All of the outstanding voting shares of PaCRe Ltd are held by Validus Reinsurance Ltd and all non-voting shares are owned principals of Paulson & Co. Inc. AlphaCat Managers also constructs portfolios for investors consisting of traditional reinstatable reinsurance contracts and collateralized reinsurance arrangements sourced through our licensed reinsurer, which fall outside of the SEC's definition of investment advisory activities.

AlphaCat Managers does not believe that the affiliated entities discussed above, create a material conflict of interest with the Clients, Funds or Investors because all relationships are fully disclosed. The independent directors of the Funds provide direction and oversight of AlphaCat Managers' investment management activities for the Funds and on behalf of Investors, thus creating a further check on AlphaCat Managers.

AlphaCat Managers does not recommend or select other investment advisers for its Clients or Funds, other than engaging AlphaCat Capital in relation to non-discretionary subadvisory services, nor does it receive compensation directly or indirectly from such advisers that would create a material conflict of interest. Nor does AlphaCat Managers have other business relationships with such advisers that would create a material conflict of interest.

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

AlphaCat Managers has adopted a Code of Ethics and Conflicts of Interest Policy and Procedures which contains provisions designed to (i) prevent improper personal trading by employees; (ii) prevent improper use of material, non-public information about securities recommendations made by AlphaCat Managers or securities holdings of advisory clients and (iii) identify conflicts of interest, including monitoring of pay-to-play issues that could arise due to political donations by AlphaCat Managers or its personnel. These policies and procedures are contained in the AlphaCat Managers Compliance Manual. AlphaCat Managers will provide a copy of the Code of Ethics free of charge to any Client, Investor or prospective client upon request. Requests may be made by contacting AlphaCat Managers' Chief Compliance Officer, Robert Kuzloski at (441) 278-9000 or email robert.kuzloski@validusholdings.com.

Neither AlphaCat Managers nor its related persons recommend to clients, or buys or sells for client accounts, securities in which AlphaCat Managers or a related person has a material financial interest. However, AlphaCat Re and the Master Fund perform a role in sourcing specific types of insurance linked securities, as discussed in Item 4. In addition, AlphaCat Managers may select investments for Funds and Clients that include reinsurance contracts that have been underwritten and fronted by Validus Reinsurance, Ltd, ("Validus Re") an affiliate of AlphaCat Managers, in addition to the underwriting performed on behalf of AlphaCat Managers and certain entities under its control. Validus Re earns a fee for taking the risk involved with fronting such contracts on renewal (ie. taking the risk on the second limit).

Generally, neither AlphaCat Managers nor its related persons invest in the same securities (or related securities) that AlphaCat Managers or a related person recommends to clients; provided that exceptions may from time to time occur, subject to compliance with AlphaCat Managers Compliance Manual and where applicable the allocation policy, as discussed below in Item 12. However, related persons of AlphaCat Managers do have investments in the Funds. The fact that such persons have financial ownership interests in the Funds creates a potential conflict in that it could cause AlphaCat Managers to make different investment decisions than if such parties did not have such financial ownership interests. In addition, potential conflicts relating to personal trading are addressed by the personal securities transaction policies set forth in AlphaCat Managers' Code of Ethics.

Item 12: Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

1. Research and Other Soft Dollar Benefits. As the investment manager to its Client accounts, AlphaCat Managers has the complete authority to determine what securities and investment instruments its Clients should buy or sell and what brokers or dealers the Client accounts should use, and on what terms. The majority of the investments made by the Client accounts are transactions in reinsurance contracts and over-the-counter securities or other non-exchange traded instruments entered into on a principal-to-principal basis. Such transactions are entered into with dealers, counterparties or issuers as principal opposite the Client account. To the extent AlphaCat Managers causes a Client account to purchase or sell a security or other investment instrument through a broker on an agency basis, AlphaCat Managers has the discretion to consider the value of products, research or services provided to AlphaCat Managers by the broker consistent with the "safe harbor" for fiduciaries' use of "soft dollar" arrangements pursuant to Section 28(e) of the United States Securities Exchange Act of 1934, as amended, to the extent applicable. As of the date of this Brochure, AlphaCat Managers does not have any "soft dollar" arrangements with its brokers.

2. Brokerage for Client Referrals. In selecting or recommending broker-dealers, AlphaCat Managers does not consider as a factor whether or not AlphaCat Managers or its related persons will receive Client or investor referrals from a broker-dealer or third party.

3. Directed Brokerage. AlphaCat Managers does not utilize directed brokerage arrangements.

B. Aggregation of Trades.

AlphaCat Managers has the discretion to bunch Client orders for the same securities or other investment instruments in one order where it is in the best interests of the Client accounts to do so. AlphaCat Managers generally will seek to do so where bunching in the particular instance is practicable, administratively efficient, and would reduce transaction costs. AlphaCat Managers will seek to allocate such executed transactions among the participating Client accounts on a basis that is fair and equitable to all Client accounts, taking into account any relevant factors, such as account size, or applicable investment objectives, guidelines or restrictions. AlphaCat Managers is

under no duty to bunch orders, however, and in many instances it may not be practicable to do so, given the nature of the investment instruments that AlphaCat Managers trades for its Client accounts.

AlphaCat Managers have also implemented a comprehensive allocation policy to guide allocations between the Funds and Validus Re in relation to participation in the same layer and where fronting funding is provided by Validus Re. The allocation policy and procedures are designed to ensure that allocation across Funds and related entities are handled in a fair and equitable manner.

Item 13: Review of Accounts

A. Periodic Review. The Portfolio Manager of AlphaCat managers reviews the performance of Client accounts on an ad hoc basis as necessary in relation to investment decisions such as renewals.. AlphaCat Managers then advises the Clients accounts as to the amount of assets that should be allocated to various instruments pursuant to each Client account's investment objectives and strategies.

B. Triggered Review. The Portfolio Manager of AlphaCat Managers engage in more frequent reviews of Client accounts on an as-needed basis as circumstances warrant, for example, periods of impending major storm activity or other unusual events.

C. Content and Frequency of Reports. Except as otherwise specified in the governing documents of the relevant Client account, each investor in a Fund receives (i) a monthly unaudited statement of the value of its investments, (ii) a monthly review of the performance of such Fund in the form of a newsletter, (iii) an annual audited financial statement of such Fund, and (iv) annual US tax-related information regarding the investor's investment in the Fund, if applicable.

Item 14: Client Referrals and Other Compensation

No one other than clients of AlphaCat Managers provides an economic benefit to AlphaCat Managers for the provision of investment advice or other advisory services.

AlphaCat Managers compensates Goldman Sachs and Synergy Capital for certain Investor referrals. Investors affected by such fees will be provided with appropriate disclosure.

Item 15: Custody

AlphaCat Managers generally will be deemed to have custody of Client funds and securities, through affiliates within each private fund structure, pursuant to the SEC's rules under the Advisers Act and in such case, will comply with applicable custody-related rules and requirements. In particular, AlphaCat Managers expects to deliver to its Fund investors audited US GAAP financial statements of each Fund within 120 days after the end of the Fund's fiscal year, as an alternative to requiring the Fund's qualified custodians to deliver to the Fund's investors' quarterly account statements showing the investments of the Fund, among other

requirements. In any event, investors should review carefully the audited financial statements and other reports they receive from AlphaCat Managers or the Funds.

Item 16: Investment Discretion

AlphaCat Managers receives discretionary authority from the Clients at the outset of an advisory relationship to select and identify the amount of securities and other investment instruments to be bought or sold, pursuant to the terms of the governing documents of the Client. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives, strategies and guidelines for the particular Client account. When selecting securities and determining amounts, AlphaCat Managers observes the investment policies, limitations and restrictions of the Clients it advises. Any material investment guidelines and restrictions will be disclosed to the Fund's investors in the applicable Fund Offering Documents or otherwise in writing.

Item 17: Voting Client Securities

It should be noted that, given the nature of its investment activities on behalf of its Clients, it is not anticipated the Client accounts will hold voting securities. Nonetheless, AlphaCat Managers has adopted proxy voting policies and procedures as required by SEC rules and should AlphaCat Managers receive a proxy it will vote it in the best interest of the Client. Clients and investors may obtain a copy of AlphaCat Managers' proxy voting policies and procedures upon request. A record of all proxy decisions will be retained by AlphaCat Managers and available for inspection by Clients and investors. For information regarding AlphaCat Managers' proxy voting record or for a copy of its proxy voting policy and procedures, please contact AlphaCat at the number on the front of this Brochure.

Item 18: Financial Information

A balance sheet is not required to be provided as AlphaCat Managers does not solicit fees more than six months in advance.

AlphaCat Managers does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients.

AlphaCat Managers has not been subject to any bankruptcy proceeding during the past 10 years.