
PART 2A OF FORM ADV: FIRM BROCHURE



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This Brochure (the “Brochure Document”) provides information about the qualifications and business practices of Catenary Alternatives Asset Management, LLC (“CAAM”). If you have any questions about the contents of this brochure, please contact us at (305) 677-6688. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Catenary Alternatives Asset Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

The following material and other changes were made to the Brochure Document:

Item 4 was updated to reflect an audit adjustment for one of the funds that resulted in an increase to discretionary assets under management reported as of December 31st, 2018. The correct amount of assets under management was \$581,979,527 instead of the \$408 million previously reported.

Item 12 was updated to more thoroughly disclose our practices and policies regarding trade aggregation, trade allocations, cross trades and trade errors.

Considering this Item 2 discusses only those changes made to this Brochure Document since its last update in March 2019, the Brochure Document should be reviewed in its entirety. A copy of CAAM's complete Form ADV Brochure and Brochure Supplement is available without charge by contacting us at (305) 677-6688. Additional information about CAAM is also available on the SEC's website at: www.adviserinfo.sec.gov

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Item 4. Advisory Business

The principal owners of Catenary Alternatives Asset Management, LLC (“CAAM”) are Eli Cohen, James Besaw, George L. Perez and Guillermo Socarras.

CAAM was formed as a limited liability company under the laws of the State of Delaware in 2012. CAAM provides investment management services to private funds (the “Funds”) and separately managed accounts.

CAAM currently offers the following Funds:

Catenary Alternative Partners, LP, a limited partnership organized under the laws of Delaware (“CAP LP”) and Catenary Alternative Partners Ltd (“CAP Ltd”), a limited liability company organized under the laws of the Cayman Islands are fund of funds which invest primarily in a selected group of hedge funds primarily managed by investment advisers independent of CAAM with the objective to maximize long term capital appreciation and reduce risk and volatility. CAP LP and CAP Ltd (collectively “CAP Funds” or the “Fund of Funds”) also invest in proprietary funds (discussed below).

V Alternative, LP (V-ALT) is a limited partnership organized under the laws of Delaware, which implements a systematic alternative strategy that seeks to harvest excess risk premiums contained within major volatility markets.

Catenary Carbon Allowance Fund I LP (CCAF) is a limited partnership organized under the laws of Delaware, which seeks uncorrelated returns through its participation in the California Cap and Trade market by purchasing California carbon allowances and related futures. CCAF was launched in January 2019 and is closed to new investors after June 2019.

Gangkhar Equity Fund LLC (“Gangkhar”), is a limited liability company organized under the laws of the Cayman Islands, which invests in equity long short managers through separately managed accounts. Gangkhar is closed to new investors, although investors may participate in Gangkhar through the CAP Funds.

As of December 31st, 2018, CAAM managed approximately \$581,979,527 in assets on a discretionary basis.

The Funds

CAAM offers interests in the CAP Funds, CCAF and V-ALT to potential investors, whereas Gangkhar is closed to new investors. Investors in CAP LP, CCAF and V-ALT (the “Onshore Funds”), are also referred to as ‘limited partners’. Affiliates of CAAM serve as the general partners of the Onshore Funds. Persons affiliated with CAAM (as well as one or more persons domiciled in the Cayman Islands who are otherwise unaffiliated with CAAM) serve on the Board of Directors of CAP Ltd and Gangkhar. In addition, CAAM is retained directly by each Fund to act as each Fund’s investment manager and adviser. CAAM will look for investments that meet the stated objectives, strategy and investment guidelines of each Fund. CAAM supervises the entire investment process and monitors the performance of each investment held by each Fund. All

investment decisions on behalf of the Onshore Funds are made by its general partner. All investment decisions on behalf of CAP Ltd and Gangkhar (together with “CAP Ltd”, the “Offshore Funds”) are made by CAAM.

In accordance with common industry practice, the general partner of the Onshore Funds and the Board of Directors of CAP Ltd may enter into “side letters” or side agreements with certain investors of the Funds whereby such investors are granted specific rights, benefits, or privileges not set forth in the governing documents of the Funds. Such investor specific rights, benefits or privileges may not be made available to all investors generally.

CAAM advises the Funds with respect to the acquisition, management and disposition of investments. The services that CAAM provides to each Fund are based on and tailored to such Fund’s specific investment needs and goals and not to those of the Fund’s investors.

Investment Management Services

CAAM provides investment management services to CAP LP, CAP Ltd, V-ALT, Gangkhar and CCAF, subject to the authority and limitations set forth in the Funds’ respective offering memoranda. CAAM’s investment management strategies for its Funds, as well as CAAM’s risk management analysis of third party funds are more fully described under Item 8 below.

CAAM may also be engaged on a discretionary basis as an investment adviser to separately managed accounts (“SMAs”), provided that investors meet CAAM’s sophistication, suitability and minimum account requirement of \$5 million. Prior to engaging CAAM to provide any investment advisory services to separately managed accounts, clients are required to enter into a written agreement with CAAM setting forth the terms and conditions under which CAAM renders its services (an “Agreement”). Currently CAAM manages two SMAs.

Item 5. Fees and Compensation

Fees for the Funds

CAAM shares common ownership with GenTrust, LLC (“GenTrust”). GenTrust is an investment advisor registered with the SEC that invests in, among other things, mutual funds, stocks, bonds, private equity, private funds, cash, and exchange traded funds (ETFs). CAAM and GenTrust share office space, portfolio managers, management, supervisory and administrative employees. In general, GenTrust clients who pay an overall asset-based management fee are not charged a management or performance fee for an investment in the Fund of Funds, but may be subject to management and performance fees in CCAF and V-ALT, as applicable. In the event that GenTrust clients pay a management fee to a CAAM fund, the fund is excluded from GenTrust’s advisory fee calculations.

Investors in the Fund of Funds, who do not otherwise pay GenTrust a fee for all of their assets under management as set forth above, have a choice of the following four fee structures with respect to their investment in the Fund of Funds¹:

- 1.0% per annum and 5.0% incentive allocation/fee (subject to the "hurdle rate").
- 0.5% per annum and 12.5% incentive allocation/fee (subject to the "hurdle rate").
- 0.8% per annum and 4.0% incentive allocation/fee (subject to the "hurdle rate").
- 0.4% per annum and 10% incentive allocation/fee (subject to the "hurdle rate").

Investors of V-ALT pay the following fees:

- 10% incentive allocation (subject to the "hurdle rate" and "claw-back")
- 20% incentive allocation (subject to the "hurdle rate" and "claw-back")

Investors of CCAF pay the following fees:

- 0.5% per annum management fee and 10% incentive fee with a step up to 25% incentive fee (subject to "hurdles"). Incentive fee only crystallizes when a distribution is made.

Investors in Gangkhar pay fees individually negotiated at the time of their subscription. CAAM managed funds invested into Gangkhar do not pay fees.

Management fees are paid in advance, as of the first business day of each calendar quarter. The incentive allocation fees for the Funds are measured as an amount by which the net value of each account as of the end of each calendar year exceeds the net market value of the account as of the beginning of the year, payable after the end of each year. The incentive allocation fee is calculated separately with respect to each series and class of shares, and is equal to percentage set forth above of the increase in the net asset value of each outstanding share each calendar year over any decrease in the net asset value of such share in any prior calendar year which has not previously been recouped. All investors and prospective investors should review the governing documents for each Fund for more complete information on the fees and compensation payable with respect to a particular Fund.

The fees earned by CAAM or its general partner, as the case may be, are deducted directly from the assets of the Funds.

The Fund of Funds are responsible for all costs and expenses incurred in connection with their investments, including subscription and redemption fees charged by the pooled investment vehicles in which they invest. Investors in the Fund of Funds also bear indirectly the expenses of the pooled investment vehicles in which they invest, including the management, advisory, performance and other fees and allocations payable by such hedge funds to the managers of such hedge funds; brokerage commissions; clearing fees; fees, interest and other costs in connection with margin accounts or other borrowings; borrowing charges on securities sold short; custodial fees; bank service fees; costs of any outside appraisers, accountants, attorneys or other experts or

¹ The "hurdle rate" and any "claw-back" provisions, as applicable, for each Fund are described in the respective funds' Private Offering Memorandum

consultants; costs of research and data services; and administrative, legal, accounting, auditing, insurance and other operating costs and expenses.

The Funds pay all of their own operating costs, including directors, administrative, legal, accounting, auditing and insurance costs and expenses, as described in greater detail in the governing documents for each Fund. This effectively results in investors in the Fund of Funds incurring two levels of expenses, one at the level of the Fund and another at the level of the pooled investment vehicles in which each Fund invests. CAAM seeks to allocate expenses fairly, equitably and consistent with the documents governing CAAM's relationship with each Fund. When allocating expenses, CAAM must interpret the Funds' governing documentation and make determinations whether expenses are allocated and paid, in full or in part, by a Fund, Funds, and/or the firm, which creates a conflict of interest. CAAM has implemented written policies, procedures, and guidelines designed to mitigate conflicts of interest.

Investment Management Fees for Separately Managed Accounts

CAAM also provides investment management services to separately managed accounts for an annual fee, billed quarterly on a pro-rata basis, as indicated on CAAM's Investment Management Agreement. CAAM's annual management fees do not include brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by a client. CAAM does not, however, receive any portion of these commissions, fees, and costs.

CAAM's investment advisory fee is agreed upon individually with each client. CAAM's annual base fee ("base fee") is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by CAAM on the last day of the previous quarter. The annual base fee varies (up to 1.00%) depending upon the market value of the assets under management and the type of investment management services and investment strategy to be rendered. Upon termination of an account, any investment management fees paid in advance will be refunded on a pro rata basis based on the number of day remaining in the billing period.

Neither CAAM nor its supervised persons will receive any compensation with respect to investments in the pooled investment vehicles or the purchase or sale of securities or other investment products by any Fund or managed account. CAAM, CAAM affiliates and their employees, supervised persons and family related accounts may invest in the Funds and receive discounted fees. CAAM is required to act in the client's best interest and have policies and procedures to ensure that client's interest always take precedence.

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

As discussed in response to Item 5 above, in the case of the Onshore Funds, its general partner, and in the case of the Offshore Funds, CAAM, will be compensated under performance-based fee arrangements. All such compensation is intended to be in compliance with Rule 205-3 of the rules and regulations promulgated by the SEC under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). Please refer to the governing documents of the Funds for complete information on the performance-based fee arrangements of the Funds.

In addition, each pooled investment vehicle in which a Fund of Fund acquires an interest may pay a carried interest, advisory fees and/or other fees and expenses to a management company and/or general partner that is not affiliated with CAAM. Fees and expenses paid to CAAM for management services are separate and distinct from the fees and expenses charged by the sub-managers in which the Fund of Funds are invested.

Since the Funds are subject to performance-based compensation, while the SMAs are not, this can be deemed a conflict of interest. However, CAAM does not allocate trades based on an account's performance or fee structure. CAAM seeks to achieve equitable and fair allocation among the SMA clients and Fund investors.

Item 7. Types of Clients

CAAM provides its services to the Funds and to clients who have engaged CAAM under an investment management agreement for separately managed accounts. Individuals, banks and thrift institutions, trusts, estates, charitable organizations, corporations and business entities may invest in the Funds or CAAM's separately managed account's investment strategy.

CAAM requires that each investor in its Fund of Funds and CCAF be an "accredited investor" as defined in Regulation D under the Securities Act of 1933 and a "qualified purchaser" as defined by the Investment Company Act of 1940 (the "Investment Company Act"); each investor in V-ALT must be an "accredited investor" and a "qualified client" as defined by the Investment Company Act.

The stated minimum commitment to the Funds range from \$250,000 to \$1 million. The general partner of the Onshore Funds and the Board of Directors of the Offshore Funds do, however, maintain discretion to individually waive, increase or reduce the minimum commitment required to invest in the Funds.

CAAM generally requires clients of separately managed accounts to have a minimum account size of \$5 million. However, CAAM may waive this requirement at its discretion.

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

The Funds

Investment Strategies

The Fund of Funds

CAAM seeks to invest primarily in multiple pooled investment vehicles that employ a variety of diverse strategies and disciplines and may make direct investments from time to time. Capital from the Fund of Funds is invested in pooled investment funds or managed accounts, and direct investments that are intended to be uncorrelated to traditional market indicators. In seeking to achieve its investment objective, CAAM invests each Fund of Funds primarily in a portfolio of unregistered pooled investment vehicles managed by alternative asset managers that invest in a variety of asset classes. These pooled investment vehicles are privately offered pools of capital

with few (if any) investment restrictions. The pooled investment vehicles in which the Funds invest may utilize leverage in their operations. Where practical, the Fund of Funds may also invest in separate accounts managed by alternative asset managers and make direct investments. The Fund of Funds' direct investments may be comprised of securities or other instruments in which it could have invested indirectly through a portfolio manager or an investment vehicle, or direct investment in the proprietary funds. CAAM's investment strategy and analysis for its Fund of Funds relies on an understanding of market inefficiency and insight into the sub-manager's process for exploiting market inefficiency. This strategy focuses on exposure to private funds, separate accounts managed by unaffiliated third parties via a fund-of-funds approach, direct investments and investment in its affiliated fund, Gangkhar.

In July 2018, the Fund of Funds made changes to its investment policy and offering documents, noting that while the CAP Funds maintain their emphasis on uncorrelated and long volatility strategies and continue to invest the vast majority of the Funds' assets in outside managers, the CAP Funds have the flexibility to implement certain new strategies directly in the portfolio. An example of such strategy is one focused on trading of futures in California Carbon Allowances, which in CAAM's view, presents an opportunity to earn attractive, inflation-protected return as the market's supply and demand of these allowances comes into balance over the medium term. By implementing this strategy, and others like it, directly rather than through an outside manager, CAAM believes it can leverage the experience of their team's trading and risk management to provide investors with access to this market in a manner custom tailored to the portfolio's risk profile and liquidity without an additional layer of fees.

CAAM acquires the investments for the Fund of Funds primarily through direct subscriptions to pooled investment vehicles and opportunistically through privately negotiated transactions in the secondary market. In an effort to manage risk and balance the participation of the Fund of Funds in the pooled investment asset class, CAAM seeks to construct a well-diversified portfolio. CAAM's goal is to construct a portfolio in a manner that ensures the opportunity for meaningful exposure to a variety of different types and styles of underlying asset classes.

Gangkhar

Gangkhar is a portfolio of managed accounts with outside, unaffiliated equity long short managers. CAAM performs a detailed analysis of historical performance utilizing position level data files along with a qualitative assessment of each manager's unique investment process, insight and approach.

V-ALT

V-ALT is a largely systemic alternative strategy which seeks to harvest excess risk premiums contained within major volatility markets. CAAM believes there are long-term pricing inefficiencies created in many markets and will seek to isolate and exploit them on behalf of the Fund. Capital is invested in liquid and transparent futures and options.

CCAF

CCAF seeks to participate in the California Cap and Trade market by purchasing California Carbon Allowances and the related exchange traded futures. CCAF's investment objective and goal is to generate absolute returns with low correlation to more traditional asset classes. CCAF's investment strategy is predicated on CAAM's belief that the California carbon allowances market is currently underpricing its future value.

Methods of Analysis

In general, CAAM analyzes investment opportunities using fundamental criteria such as prior track record, quality and experience of the team of principals managing the prospective investment, the logic and coherence of the prospective fund's investment strategy, operational risk, legal risk, and portfolio risk. CAAM conducts in-depth diligence into the strategy of potential investments to identify the source of such investment's competitive advantage. CAAM's investment strategy analysis focuses on leverage, portfolio diversification, liquidity, portfolio turnover, and hedging strategies. On the operational risk side, CAAM may rely on third parties to conduct a portion of the operational due diligence on CAAM's behalf, such as legal document review, background checks and independent verification of assets.

With respect to portfolio risk, CAAM carries out a quantitative risk assessment as well as a qualitative risk assessment.

As part of the qualitative analysis of potential investments, CAAM reviews and seeks out in-depth information on the backgrounds of the principals managing the investment, including their relevant industry, professional and strategic relationships. CAAM also analyzes the manager's historical performance and the history, cohesiveness and experience of the principals working together as a management team. CAAM (or third parties acting on its behalf) reviews offering circulars, limited partnership agreements, subscription documents, and performs reference checks, all as part of the independent due diligence effort.

Quantitative analysis is also necessary to appropriately analyze the performance of a team managing pooled investment vehicles or managed accounts. Generally, CAAM obtains cash flow figures from prior funds to verify the integrity of financial data provided to it. CAAM focuses on the historical track records presented by the management group of the underlying pooled investment vehicles. Where relevant, CAAM sorts and analyzes the relevant attribution of investment results by individual manager, as well as by relevant investment focus, geography, industry and stage. At times, CAAM may also consider a sub-manager's prior valuation of individual portfolio positions to form a perspective on the adequacy and appropriateness of a sub-manager's valuation policies. CAAM's investment program is considered speculative and entails substantial risks. There can be no assurance that the investment objectives of the Funds will be achieved, and results may vary substantially over time.

CAAM believes that controlling downside risk is paramount to generating returns over the long run. The firm's approach emphasizes this in numerous ways including stressing diversification. In an effort to mitigate the risk that portfolios are not sufficiently diversified because many commonly accessible investments have high correlations in disrupted markets, CAAM includes a variety of investments in portfolios that are not commonly available.

Risks of Loss

The Fund of Funds invest assets primarily in pooled investment vehicles and proprietary funds. The managers of these pooled investment vehicles have broad discretion in selecting the investments in which they invest. There are few limitations on the types of securities or other financial instruments that may be traded by the underlying pooled investment vehicles and no requirement to diversify the pool. The pooled investment vehicles may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the pool investment vehicle. In addition, because the pooled investment vehicles are not registered as investment companies and do not intend to register as investment companies, the pooled investment vehicles are not subject to the extensive regulatory framework of the Investment Company Act. There are numerous other risks in investing in these securities.

Historically, pooled investment vehicle returns have varied greatly over time, depending on the conditions at the time investments were made and when investments were exited by the pooled investment vehicle. A potential investor should invest only if able to withstand a total loss of investment.

An investment in a pooled investment vehicle may not result in rates of return that are equal to or better than the average rate of return on investments in other asset classes. CAAM does not participate in the management and control of the pooled investment vehicles in the Fund's portfolio and has no control over the selection of investments by the managers of the pooled investment vehicles. The success or failure of any pooled investment vehicle relies in part on the success or failure of the investment decisions made by the sub-manager with respect to the investments in such pooled investment vehicle.

An investment in any CAAM Fund entails a significant degree of risk and, therefore, should be undertaken only by sophisticated investors capable of evaluating and bearing certain risks. CAAM may not be able to achieve the investment objectives for the Funds and investors of the Funds may not receive a return of their capital.

CAAM urges investors and prospective investors to review carefully the risk factors set forth in the relevant Fund's disclosure documents. In addition to those risk factors, an investor or prospective investor should also carefully consider the following additional risks prior to making an investment in the Funds:

No Assurance of Profit or Distributions

Investments held in the Funds may not be profitable. A return on investment will depend upon successful investment decisions being made by CAAM as well as by the management teams of the underlying pooled investment vehicles and separate accounts and, thus, the ultimate value of any fund investment will depend upon many factors beyond CAAM's control.

Multiple Layers of Expense

With regard to the Fund of Funds and as discussed in Item 6, in addition to performance-based allocations or fees charged by the Fund of Funds, the underlying pooled investment vehicles and

sub-managers also generally impose management fees and other expenses on investors. Such fees and expenses will result in greater expenses and lower returns than if investors were able to invest directly in the pooled investment vehicles. Fees and expenses charged by the Funds, or by an underlying pooled investment vehicle or sub-manager, will generally be paid regardless of whether the Fund or the sub-managers produce positive investment returns.

Long-Term Investment; Illiquidity of Fund Investments

An investment in the Fund of Funds is a long-term commitment. Investors may not receive distributions prior to or upon liquidation of any underlying pooled investment vehicle. A limited market exists for the sale of such interests, and the transferability of interests in the Fund of Funds is generally restricted. Investors in these Funds may not be able to transfer their interest in the Funds. Similarly, there are no assurances that CAAM will be able to dispose of its investment in any pooled investment vehicle, at the time and upon the terms desired. In addition, due to ongoing fluctuations in the securities markets, and the lag in reporting typical in such investment pooled investment vehicles, the reported value of any individual fund investment or the portfolio as a whole may not represent the actual current or long-term value of such pooled investment vehicle or portfolio as a whole.

Management of the Portfolios

Decisions regarding the management of the Funds are made by CAAM, as the investment adviser of the Funds. Investors have no right or power to take part in the management of the Funds. Investors have no opportunity to review or evaluate the specific investment opportunities to be selected by CAAM for the Funds. In addition, investors do not receive any detailed financial information issued by the sub-managers of the Fund of Funds. Such detailed financial information will be available solely to CAAM. Each investor must rely upon CAAM's ability to identify, structure and make investments consistent with relevant investment objectives, guidelines and policies. Accordingly, no person should become an investor in the Funds unless such person is willing to entrust all aspects of the management of the Funds to CAAM.

Dependence on Professionals of CAAM

The Fund's portfolios are largely dependent upon the activities of CAAM's investment management team and the other investment professionals CAAM employs. The loss of one or more of these individuals could have a significant adverse impact on the ability of CAAM to satisfy a Fund's mandate, on CAAM's business or the business of the Funds.

Reliance on Pooled Investment Vehicles

Generally, CAAM invests the Fund of Fund's capital directly in pooled investment vehicles managed by sub-managers unrelated to CAAM and, therefore, investments made by such pooled investment vehicles will be selected by unrelated investment managers over which neither the Fund of Funds, its general partner (in the case of the CAP LP) nor the Board of Directors (in the case of the CAP Ltd), the investors nor CAAM have any control. CAAM does not play an active role in the day-to-day management of such underlying pooled investment vehicles. Moreover,

CAAM typically does not have an opportunity to evaluate specific investments made prior to the time such investments are made. As a result, returns depend, in a large part, on the performance of these unrelated investment managers and could be substantially adversely affected by the unfavorable performance of a small number of investment managers to the extent the portfolio is limited or the investments are substantial.

Management Time and Attention

There may be occasions when CAAM and its affiliates encounter potential conflicts of interest in connection with the investment activities of the Funds. The members of CAAM will continue to devote time to the business of the Funds, fund investments, and to any future funds that the members may organize. Conflicts may arise in the allocation of the member's time among the Funds and relationships of affiliates.

Economic and Market Risk

Pooled investment vehicles may be sensitive to general downward swings in the overall economy or in the industries or geographies in which they are concentrated. While the sub-managers pursue a wide variety of strategies with varying market exposures, the portfolio is managed in an effort to minimize correlation to financial markets. That said, factors affecting economic conditions, including, for example, inflation rates, credit market uncertainty, capital market instability, currency devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends and innumerable other factors, none of which will be in CAAM's control, could substantially and adversely affect the Funds' business prospects. While the objective of the Fund of Fund is to provide diversification versus traditional equity and fixed income investments, a recession or adverse developments in the credit or securities markets might have an impact on some or all of the Funds' investments. A sustained period of low valuations in the public equity markets could result in substantially lower liquidation values and substantially longer periods before liquidity is achieved in comparison with historical values, which would reduce the returns that could be achieved. CAAM may rely upon its own or a sub-manager's views, opinions or projections concerning a pooled investment vehicle's future performance in making investment decisions. Such views, opinions and projections are inherently subject to uncertainty and to factors beyond the control of the pooled investment vehicle, the Funds and CAAM.

The success of the CCAF's activities will be affected by general economic and market conditions, such as inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), and national and international political circumstances. The CCAF's investment strategy depends heavily on the continued viability of the California Carbon Allowance market as currently constituted. If the rules governing such market change or the market participants materially change their behavior, the Fund may be materially adversely affected.

Certain Risks With Respect to Sub-Manager's Carried Interest

As noted earlier, the sub-managers of underlying pooled investment vehicles may be entitled to receive a carried interest or other incentive fees or performance allocations. These compensation

arrangements may create an incentive for such managers to make investments that are riskier or more speculative than would be the case absent such compensation arrangements.

Risks With Respect to Hedge Fund Strategy

The Funds and the pooled investment vehicles in which the Fund of Funds invest in, may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for the Funds than if the Funds had not entered into such hedging transactions. The success of any hedging strategies will depend on the ability of the Funds and the pooled investment vehicles in which the Fund of Funds invests in to implement such strategies efficiently and cost-effectively, as well as on the accuracy of the Managers and Sub-Managers subjective judgments concerning the hedging positions to be acquired.

Options

The Funds invest in options. Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Trading Futures and Derivatives Contracts

CAAM invests in futures contracts on California Carbon Allowances, and options thereon. Futures contracts markets are highly volatile and are influenced by a variety of factors, including national and international political and economic developments. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. While leverage can potentially increase returns to CCAF investors, the use of leverage exposes CCAF to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the CCAF not borrowed to make the investments, and (ii) margin calls or changes in margin requirements that may force premature liquidations of investment positions. As a result, a relatively small price movement in a futures contract may result in substantial losses to CCAF.

Margin Risk

Markets in futures, options and other derivatives contracts can be highly volatile and investment in them carries a high risk of loss. This stems from the margining system applicable to such contracts that generally involves a comparatively modest performance deposit in terms of the overall contract value, so that a relatively small market movement can have a disproportionately dramatic effect on the value of an investment. If the market movement is favorable, a good profit return may be achieved, but an equally small adverse market movement can result not only in the loss of the entire amount of margin on deposit, but may also expose the Funds to the distinct possibility of a loss exceeding the initial margin requirement.

Minority Interest in Pooled Investment Vehicles

The partnership agreement, operating agreements or other agreements of the pooled investment vehicles in which the Fund of Funds invests provide that certain actions by the sponsors of the applicable pooled investment vehicle, and certain amendments to the partnership agreement or operating agreement, are approved or agreed to by the limited partners or members owning certain minimum percentage interests in such pooled investment vehicle. In circumstances where the Fund of Funds do not own a sufficient percentage interest in the pooled investment vehicles in which they invests, it may not have control of any actions to be taken by the limited partners or members as a class (other than those actions requiring unanimous consent, if any), and there can be no assurance that the other limited partners or members of such pooled investment vehicles have objectives similar to those of the Funds with respect to any of such actions.

Investing in securities involves the risk of loss. Investors in the Fund of Funds should be prepared to bear such loss.

The Separately Managed Accounts

Investment Strategy

CAAM offers a liquid alternative investment strategy, also known as the V-ALT Strategy, in which it systematically trades options for its investors through SMAs or the Fund. The strategy seeks to benefit from short and long term inefficiencies in option volatility. CAAM aims to harvest put option volatility by choosing the puts to sell which best distill the following three components: equity market risk premium, excess premium received compared to realized historical equity market risk and tail risk premium.

Methods of Analysis

CAAM uses a disciplined and quantitative approach to investing in the V-ALT Strategy. In addition to the V-ALT Strategy seeking to capitalize on the excess demand for equity index puts, it also aims to maintain a constant risk level through a disciplined quantitative process and avoids timing the market. CAAM's quantitative formula perpetually adjusts each investor's number of options along with their strikes so that the strategy has a constant amount of risk.

Risk of Loss

Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Investing in options and securities in general involves risk of loss that investors should be prepared to bear.

Cyber Risk

Investment advisers, including CAAM, must rely in part on digital and network technologies (“cyber networks”) to maintain substantial computerized data about activities for client accounts and otherwise conduct their businesses. Such cyber networks might in some circumstances be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of confidential computerized data or client data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers seeking to compromise sensitive information, corrupt data, or cause operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. CAAM maintains policies and procedures on information technology security, it has certain technical and physical safeguards intended to protect the confidentiality of its internal data, and takes other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction. Nevertheless, despite reasonable precautions, the risk remains that cybersecurity incidents could potentially occur, and such incidents, in some circumstances, might result in unauthorized access to sensitive information about CAAM or its clients or their investors, and/or cause damage to client accounts or CAAM’s activities for clients or their investors. CAAM will seek to notify affected clients and investors of any known cybersecurity incident that may pose a substantial risk of exposing confidential personal data about such clients or investors to unintended parties

Item 9. Disciplinary Information

CAAM is required to disclose the facts of any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of management. CAAM does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Certain of CAAM’s supervised persons are registered representatives of, and may offer securities brokerage services under a separate commissions-based arrangement with, Old City Securities, LLC (“OCS”), an SEC registered broker-dealer and member of FINRA. Such persons will not offer brokerage services to investors in the Funds or clients of CAAM’s separately managed accounts.

CAAM is registered as a commodity pool operator with the National Futures Association (NFA)

Catenary Alternatives Partners GP, LLC, an affiliate of CAAM is the general partner of CAP LP. V Alternative GP, LLC, an affiliate of CAAM, is the general partner of V Alternative, LP.

Catenary Carbon GP, LLC, an affiliate of CAAM, is the general partner of Catenary Carbon Allowance Fund I, LP. Persons affiliated with CAAM serve on the Board of Directors of the Offshore Funds. The general partner of the Onshore Funds, CAAM, its personnel and related persons devote only such time and efforts to the business of the Funds as they determine are necessary. The governing documents of the Funds do not obligate any of the principals or employees of the general partner of Onshore Funds or CAAM to give exclusive time or attention to the Funds. Conflicts of interest may arise in allocating management time, services or functions between the Funds and other entities for which such principals or employees may provide services. The general partner of the Onshore Funds, CAAM and their respective principals and employees attempt to resolve these conflicts of interest in a manner consistent with their fiduciary duties to the respective entities with which they are affiliated.

The general partner of the Onshore Funds, and in the case of the Offshore Funds, CAAM, receives a share of the profits generated by the Funds. Such an arrangement may give such persons an incentive to take more risk or make more speculative investments than would otherwise be the case. CAAM addresses this potential conflict of interest by (i) recognizing its fiduciary duty owed to each Fund and (ii) reviewing each Fund's objective strategies and investment guidelines against its recommendations.

CAAM is affiliated, as a result of common ownership, with GenTrust. CAAM's relationship with GenTrust is material to its business. As noted previously, CAAM and GenTrust share office space, management, portfolio managers, supervisory personnel and employees. GenTrust may recommend that its advisory clients invest in CAAM funds. GenTrust clients generally do not pay a management fee to CAAM funds. While CAAM and GenTrust generally do not invest in the same asset class, this poses a conflict of interest, because CAAM benefits from increased assets under management which helps it reduce expenses and market the proprietary funds. CAAM and GenTrust manage this conflict through disclosure and thorough policies and procedures that require it to make recommendations that are in the client's best interests.

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

Code of Ethics

CAAM has adopted a Code of Ethics that covers all of its supervised persons. CAAM's supervised persons include CAAM's officers, directors, or employees, or any other person who provides investment advice to clients on CAAM's behalf and is subject to CAAM's supervision or control. This Code of Ethics describes CAAM's standards of business conduct, compliance with federal securities laws, privacy policy with respect to the non-public information of investors in the Funds and CAAM's fiduciary duty to the Funds and the investors of the Funds. CAAM's Code of Ethics is provided to its supervised persons annually, and each supervised person is required to acknowledge receipt and compliance therewith in writing.

Copies of CAAM's Code of Ethics may be requested by investors and potential investors of the Funds by contacting CAAM's Chief Compliance Officer, Zulay Hunter, at (305) 677-6688.

Participation or Interest in Client Transactions and Personal Trading

Certain CAAM affiliates (including individuals employed by CAAM) are investors in the Funds and are permitted to co-invest with the Fund of Funds in the pooled investment vehicles to be purchased in connection with an investment. This may present conflicts between the CAAM affiliates' personal investment interests and CAAM's obligations as an advisor. Any investment in the Funds or co-investment made by CAAM's affiliates are subject to CAAM's fiduciary duty to the Funds. In addition, when CAAM's affiliates co-invest with the Funds, they invest at the same time and on the same terms as the Funds. Additionally, CAAM does not engage in "cherry-picking" of more desirable investment opportunities for itself and/or its affiliates. .

CAAM and/or its affiliates may also have a financial interest in an investment in which the Funds invest by virtue of CAAM's affiliates having invested in such investment prior to the Fund's investment.

Item 12. Brokerage Practices

CAAM may execute trades at unaffiliated broker-dealers, futures commission merchants ("FCMs") or prime brokers for its Funds or clients. Investors of CAAM Funds indirectly bear the costs of brokerage commissions incurred by the Funds in which they invest. Portfolio transactions are executed by broker-dealers selected by CAAM and in the case of CAP Funds, the sub-managers of the Fund of Funds. CAAM does not attempt or have any ability to influence the selection of brokers by sub-managers and does not receive any compensation of any kind from sub-managers or brokers of the Fund of Funds. CAAM does not raise capital for other managers, does not take economic interests in hedge fund firms, and does not receive services paid for with "soft dollars" generated by trading for client accounts.

CAAM recommends investments to separately managed account clients in the form of option trades. CAAM typically executes transactions through the custodian who maintains custody over each client's assets. CAAM seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other providers and their services. CAAM considers a wide range of factors, including, among others, these: combination of transaction execution services along with asset custody services (generally without a separate fee for custody); capability to execute, clear and settle trades (buy and sell securities for client accounts); capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.), breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.), availability of investment research and tools that may assist the firm in making investment decisions, quality of services, competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them, reputation, financial strength and stability of the provider, their prior service to the firm, availability of other products and services that benefit CAAM.

CAAM generally recommends that clients of its separately managed accounts utilize the brokerage and clearing services of Fidelity Clearing and Custody Solutions ("Fidelity"). Factors that CAAM considers in recommending Fidelity or other financial institutions to clients include the financial institution's financial strength, reputation, execution, pricing, research and service. Fidelity may

enable CAAM to obtain discounted transaction charges on the purchase or sale of securities, or provide other services beneficial to CAAM and the client. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other financial institutions. In selecting or recommending broker-dealers to execute portfolio transactions for client accounts, CAAM may consider the quality and reliability of the brokerage services, as well as research and investment information and other services provided by the broker-dealers. Commission rates, being a component of price, are one factor considered by CAAM together with other factors. CAAM is not obligated to seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction for the client's account or recommend any broker-dealer on the basis of its purported posted commission rate. Accordingly, recommended brokers or dealers may charge commission rates in excess of the amounts another broker-dealer would have charged for effecting transactions when CAAM has determined in good faith that the broker-dealer's commission rates generally are reasonable in relation to the value of the brokerage and/or research provided by the broker or dealer.

Trade Aggregation

When possible and in the clients' best interest, CAAM will aggregate transactions for execution under certain circumstances. Where practicable, all client portfolio orders for the same security may be combined or "batched" and executed as block transactions in order to facilitate best execution and allow for the negotiation of more favorable brokerage commissions. This practice may or may not affect or otherwise reduce fees, commissions or other costs charged to clients for these transactions or provide price improvement. CAAM may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker for multiple discretionary accounts. To the extent that CAAM determines to aggregate client orders for the purchase or sale of securities, including securities in which CAAM employee or Access Persons may invest, CAAM generally does so in accordance with applicable rules and regulations.

Where a block trade is executed for a number of client accounts, the average execution price on all of the purchases and sales that are aggregated will be used for all accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day are allocated in a manner that is consistent with the initial pre-allocation or other written statement. The allocation is done in a way that does not consistently advantage or disadvantage particular client accounts. Partial fill of a block security transaction may be allocated among client accounts randomly, pro rata, or by some other equitable procedure that is fair and reasonable to all Clients.

Trade Allocation

From time to time, two or more accounts may seek to invest in the same securities or pursue a similar strategy. In such cases, CAAM seeks to ensure that one account or group of accounts is not favored or preferred over another account or group of accounts. CAAM strives to be sensitive to this potential conflict of interest where a particular investment opportunity has limited availability. CAAM has trade aggregation policies and procedures seeking to ensure that client accounts are treated fairly and equitably over time.

Trade Errors

CAAM seeks to identify and rectify errors as quickly as possible and to recover any losses caused by a third party. CAAM has a trade error procedure that requires supervisory personnel to review and approve trade corrections.

Cross Trades

CAAM may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless client consent has been obtained based upon written disclosure to the client of the capacity in which the Adviser or its affiliates will act. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA. When applicable, cross transactions involving a registered investment company for which the Adviser serves as adviser are permitted only in accordance with the registered investment company's rule 17a-7 procedures.

Item 13. Review of Accounts

CAAM monitors the portfolio of each Fund as part of an ongoing process to determine, among other things, whether the existing investments and mix of investments remain appropriate. The supervised persons who conduct such review are CAAM's Chief Investment Officer and the investment team. Outside tax, accounting and legal professionals will be engaged on an as-needed basis to assist with year-end financial and tax reporting and other complex administrative issues. The annual financial statements of each Fund are audited by KPMG. The financial statements of each Fund are distributed to investors in such Fund by the Fund's administrator, either, Stone Coast Fund Services or HedgeServ Corporation, and by CAAM to CCAF investors.

For those clients to whom CAAM provides investment management services, CAAM monitors those portfolios as part of an ongoing process while regular account reviews are conducted on generally on a monthly basis. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with CAAM and to keep CAAM informed of any changes thereto. CAAM contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client separately managed accounts. Those clients to whom CAAM provides investment advisory

services can also receive a report from CAAM that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance.

Item 14. Client Referrals and Other Compensation

CAAM does not receive any economic benefits from non-clients for providing investment advice or other advisory services to the Funds.

If an investor is introduced to the Funds or a client is referred to CAAM by either an unaffiliated or an affiliated solicitor, CAAM may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from CAAM's investment management fee, and does not result in any additional charge to the investor. Any solicitor of the Funds discloses the nature of his/her relationship to prospective investors in the Funds at the time of the solicitation and will provide all prospective investors with a copy of CAAM's written disclosure brochure at the time of the solicitation.

Item 15. Custody

Each Fund is a pooled investment vehicle and CAAM and/or affiliates of CAAM, by virtue of being the general partner of the Onshore Funds and members of the Board of Directors of the Offshore Funds, will be deemed to have custody of such Fund's assets.² Cash and investments in the pooled investment vehicles held by the Funds are maintained at a financial institution meeting the definition of Qualified Custodian under the Advisers Act. The Funds are audited on an annual basis by an independent public accountant and audited financial statements are provided to investors.

Clients who have separately managed accounts managed by CAAM have these assets held in custody by custodians who are unaffiliated broker/dealers or other financial institutions that are Qualified Custodians, as defined by the SEC. Since CAAM can access client funds through its limited ability to debit advisory fees, from the client's custodial account, CAAM is deemed to have custody of client assets under the Advisers Act. The amount of the advisory fee will be reflected in the custodial statements, or statements prepared by the fund administrator and reflected in the client's account statements prepared by the client's custodian. Clients are urged to compare any statements provided to them by their qualified custodian or the Funds' administrator to reports provided by CAAM and promptly inform CAAM of any errors. CAAM's performance reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16. Investment Discretion

CAAM provides discretionary investment advisory services and has sole authority to determine

² The SEC's Rule 206(4)-2 (the "Custody Rule") under the Advisers Act typically applies when an adviser to a pooled investment vehicle has custody of the pool's assets because the adviser or a related person(s) serves as the general partner of a limited partnership or in a comparable position of the pool.

which underlying investment funds to invest in and which sub-managers to hire on behalf of the Funds. CAAM assumes this authority pursuant to an investment advisory agreement with each Fund. CAAM is also granted discretionary authority to manage the separately managed accounts of its clients pursuant to the CAAM Client Agreements entered into with such clients. Clients in the separately managed accounts may impose reasonable investment restrictions such as prohibiting or limiting investment in specific securities or industries.

Item 17. Voting Client Securities

CAAM has adopted written policies and procedures reasonably designed to ensure that proxies, votes and consents related to the Funds are exercised in the best interests of the Funds with a view to maximizing value for the Funds. For its Fund of Funds, CAAM has the authority to vote on matters relating to, or give approval or consent to amendments proposed by, the underlying pooled investment vehicles. However, CAAM does not have proxy voting authority with respect to the securities in which the sub-managers invest. Any conflicts of interest shall be addressed in accordance with Fund governing documents and CAAM's written policies and procedures.

Investors may obtain information about how CAAM voted on behalf of the Funds, as well as a copy of CAAM's proxy voting policies and procedures by submitting a written request to the Chief Compliance Officer at zulay@catenaryalts.com.

CAAM maintains proxy voting authority for its separately managed account clients.

Item 18. Financial Information

CAAM has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage the Funds or that impair its ability to meet its contractual commitments to the Funds.