
FORM ADV PART 2A



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This brochure provides information about the qualifications and business practices of Modum Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at (332) 223-4025 and/or contact@modumam.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Modum Asset Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our Firm's CRD number is 316200.

Modum's registration as an investment adviser does not imply a certain level of skill or training.

Effective date: December 31, 2023

Item 2 - Material Changes

Modum Asset Management LLC has produced a firm brochure in the past as an investment adviser registered with the State of New York. However, this is the first brochure filed with the SEC. Going forward, this section will be updated as required in the event any material changes are made to the brochure since its last update.

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Item 4 - Advisory Business

Modum Asset Management LLC (also referred to as “Modum”, “we”, “us”, or the “Firm”) is a Delaware limited liability company with its principal office located in New York, NY. The Firm’s principal owners are Mr. Jacob Dabdoub Hernandez, Mr. Luis Gerardo Ledinich Ascencio, Mr. Baltasar Peral Robinson Bours, and Mr. Jendanny Raña Custodio (also referred to as the “partners”, “management persons,” and “principal owners”).

Modum offers two types of advisory services: (1) investment management (the “Investment Management Service”) and (2) advisory & reporting (the “Advisory & Reporting Service”).

Investment Management Service: Under the Investment Management Service, Modum acts as a discretionary investment adviser by making all investment decisions regarding the assets placed under its discretion. Modum has full power to supervise and direct, in its sole discretion, and without first consulting the client, the purchase, sale, and holding of assets in the client account in securities, cash, and cash equivalents. Modum may, without prior consultation with the client, select, buy, sell, and trade in stocks, bonds, mutual funds, and other securities and/or contracts relating to the same, in each case at the client’s risk for the client account.

Advisory & Reporting Service: Under the Advisory & Reporting Service, Modum acts as a non-discretionary investment adviser to the client account. Modum may not, without prior consultation with the client, select, buy, sell, and trade in stocks, bonds, mutual funds, and other securities and/or contracts relating to the same in each case at the client’s risk for the client account.

Unless we are responsible for arranging or effecting trades on behalf of the client, we do not include client assets under our Advisory & Reporting Service in the Firm’s regulatory assets under management.

Modum does not participate in any wrap fee programs.

As of December 31, 2023, Modum manages approximately \$40,703,312 of client assets on a discretionary basis and approximately \$9,899,797 of client assets on a non-discretionary basis, for a total of \$50,604,405 in regulatory assets under management.

In addition to the regulatory assets under management disclosed above, as of December 31, 2023, client assets under our Advisory & Reporting Service are approximately \$164,125,465. Total client assets are approximately \$214,197,554.

Item 5 - Fees and Compensation

Management Fees: Under the Investment Management Service, clients pay Modum, quarterly in arrears, an asset-based management fee equal to a percentage per annum of the client account balance. The below table illustrates the management fee rate applicable:

Client Account Balance	Annual Management Fee Rate
Lower than \$1 million	1.00%

Between \$1 million and \$5 million	0.80%
Between \$5 million and \$10 million	0.60%
\$10 million or more	0.50%

Advisory Fees: Under the Advisory & Reporting Service, clients pay Modum, quarterly in arrears, an asset-based advisory fee equal to a percentage per annum of the client account balance. The below table illustrates the advisory fee rate applicable:

Client Account Balance	Annual Advisory Fee Rate
Lower than \$10 million	0.50%
Between \$10 million and \$20 million	0.40%
Between \$20 million and \$50 million	0.30%
\$50 million or more	0.25%

We reserve the right to negotiate fees with clients, and commonly do negotiate them, depending on the scope of the relationship. We may waive all or a portion of the fees in our discretion.

Modum receives fees from clients via one of two methods: (1) by directly deducting fees from the client account, and (2) by billing clients for fees incurred. Modum allows clients to select either method. However, the client's qualified custodian and/or broker-dealer may not allow fees to be directly deducted from the client account. If this is the case, Modum can only bill the client for fees incurred. Clients are billed quarterly in arrears for advisory services.

Clients will incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer and/or qualified custodian through which account transactions are executed. For more information on our brokerage practices, please refer to Item 12 below.

The fees that clients pay us for advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds (described in each fund's prospectus) to their shareholders. The fees charged directly by mutual funds and exchange traded funds will typically include a management fee and other fund expenses.

Clients may not pay us fees in advance.

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

Neither Modum nor any of its supervised persons have any arrangement to accept performance-based fees. Neither Modum nor any of its supervised persons manage both (1) accounts that are charged a performance-based fee, and (2) accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee.

Item 7 - Types of Clients

We offer advisory services to a diversified group of clients including individuals, high-net-worth individuals, trusts, corporations, pooled investment vehicles, and other business entities. We have a preferred minimum account size of \$1,000,000. We may consider clients with less than this minimum at our discretion.

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

Modum uses the following methods of analysis and investment strategies in formulating investment advice and/or managing assets:

Tailored advice: Modum considers clients' specific financial goals, risk tolerance, liquidity needs, and any applicable constraints.

Passive investing: Modum generally recommends securities portfolios that require minimal portfolio turnover (i.e., buying and selling) to maintain.

Index investing: Modum generally recommends investing in index funds, that is, securities designed to match the composition and performance of a financial market index.

Diversification: Modum generally recommends securities portfolios that offer broad market exposure to different asset classes.

Any investment carries a certain degree of risk, including a possible loss of principal that clients should be prepared to bear. The value of securities may go up or down in response to factors not within our control. There is no guarantee that any of the investment strategies that Modum employs will outperform the investment strategies used by other firms. Past performance is no guarantee of future results.

The risks described below may not be all-inclusive but should be considered carefully:

Credit risk: Credit risk is the risk that the issuer of a debt security would fail to repay principal and interest when due. U.S. Treasury securities are backed by the full faith and credit of the U.S. Government and these securities are deemed to carry minimal credit risk.

Interest rate risk: Bonds provide a steady stream of income (with some exceptions); however, these securities' prices still fluctuate with changes in interest rates. When interest rates rise, bond prices fall; and when interest rates fall, bond prices rise. Additionally, longer maturity bond prices are more sensitive to interest rate movements than those of the bonds with shorter maturities.

Inflation risk: Inflation risk refers to eroding purchasing power due to price increases for goods and services. In the U.S., inflation is measured through the Consumer Price Index (CPI) which tracks price levels of baskets of goods and services. Nominal bond instruments, which pay fixed

coupons, may not sufficiently compensate for increased inflation. Treasury Inflation Protected Securities (TIPS) could be utilized to mitigate higher inflation as the principal amount of these securities resets upwards in a rising inflationary environment. Conversely, in a deflationary or negative inflationary environment, the principal amount of TIPS could be adjusted downward.

Market risk: Market risk is the risk that numerous factors may affect security prices, including but not limited to monetary & fiscal policies, political developments, natural disasters, wars and terrorist attacks.

Reinvestment risk: Reinvestment risk is the risk that the future cash flows of coupon and principal payments, related to bond investments, may be reinvested at a reduced rate in a lower interest rate environment.

Equities risk: Equity securities can decline in value over short or extended periods as a result of changes in a company's financial condition and in overall market, economic and political conditions.

Liquidity risk: Liquidity is the ability to convert an investment into cash. Investment assets are usually more liquid when established markets exist to trade those securities. For instance, U.S. Treasury bills and most equity securities have highly developed markets, while tangible property, such as real estate and precious stones, are less liquid. In case of extreme market activity, we may be unable to liquidate investments in thinly traded and relatively illiquid securities promptly if necessary. Also, sales of thinly traded securities could depress the market value of those securities and reduce the investments' profitability or increase its losses.

Financial risk: Excessive use of credit (borrowing) to finance a business' operations increases the risk of profitability, because the company must cover its debt obligations in good and bad years.

Omission of risks: This brochure does not provide a comprehensive list of every source of risk. Every potential outcome of an investment cannot be predicted, and we cannot disclose every potential risk factor for every investment to clients. The value of securities that Modum invests in may go up or down in response to factors not within Modum's control, including but not limited to the status of an individual company underlying a security, or the general economic climate. Clients may suffer losses for any reason or no discernible reason.

Interim underperformance: Even if a client's portfolio is "working properly" and our analysis is correct and leads to profitable realized outcomes, clients may experience multi-year periods of significant underperformance relative to market indexes and/or other investment strategies. This interim underperformance poses a significant risk of permanent capital loss for clients with short time horizons or who require withdrawals from their account.

Systemic risk: Modum relies on the stability of the overall financial system to implement its investment strategies. The security of client assets depends on the solvency of a third-party custodian and brokerage firm, upon which Modum also relies for brokerage and trading services. In the event of a disruption to the custodian's business or the overall functioning of securities markets, Modum may be unable to implement its investment strategy and clients may experience a significant or complete loss of their capital.

Strategy: Modum cannot guarantee that its strategies will be implemented at all times, or in full. There can be no guarantee that suitable investment opportunities will be available at all times.

Management: Modum is dependent on the services of its management persons. If they were incapacitated or otherwise unable to continue providing services, Modum would not be able to continue to implement its strategy and clients could experience a significant or total loss of capital.

Public health crisis risk: A public health crisis, pandemic, epidemic or outbreak of a contagious disease, such as the outbreak of COVID-19, could have an adverse impact on global, national and local economies, which in turn could negatively impact our investments and strategies. Disruptions to commercial activity resulting from the imposition of quarantines, travel restrictions or other measures, or a failure of containment efforts, may adversely affect our investments in various ways, including but not limited to, decreased demand, supply chain delays, disruptions or staffing shortages. A continued outbreak may have a material and adverse impact on our investment returns. The impact of a public health crisis is difficult to predict, which presents material uncertainty and risk with respect to the performance of our investments and strategies.

Cybersecurity risk: As the use of technology has become more common in conducting business, client accounts have become potentially more susceptible to operational, information security, and related risks through breaches in cybersecurity. Generally, a cybersecurity incident may result from either intentional attacks or unintentional events and include, but is not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, causing a client account to lose proprietary information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches of a third-party service provider that provides services to a client's account, such as the custodian or an administrator, may also subject a client account and/or Modum to these cybersecurity risks. Modum has established policies and procedures designed to reduce the risks associated with cyber incidents. However, there can be no assurance that these policies and procedures will prevent cyber incidents.

Item 9 - Disciplinary Information

As of the date of this brochure, there have been no legal or disciplinary events related to us or any of our management persons.

Item 10 - Other Financial Industry Activities and Affiliations

Neither Modum nor its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer. Additionally, neither Modum nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or commodity trading advisor.

Modum has relationships or arrangements with the following affiliated entities:

Modum Asesores, S.C.: The Firm's principal owners are also principal owners of Modum Asesores, S.C., a tax advisory and accounting firm based in Mexico City, Mexico. This association may present a conflict of interest based upon the overall allocation of time and services provided by both entities. However, this conflict is mitigated since both entities will always act in the best interest of the client.

Modum Volatility Risk Premium Fund Limited Partnership: The Firm acts as general partner of Modum Volatility Risk Premium Fund Limited Partnership (the "Fund"), a pooled investment vehicle established as a Limited Partnership in accordance with the laws of the province of

Ontario, Canada. The Fund does not have and does not accept U.S. investors. The Firm is not currently recommending clients or potential clients to invest in the Fund.

Modum does not recommend or select other investment advisers for our clients. We also do not have any business relationship with other advisers that creates a material conflict of interest.

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

Modum has established a Code of Ethics (the “Code”) that applies to all management persons and employees of our Firm. The Code is based upon the principle that the Firm’s management persons and employees owe a fiduciary duty to their clients to conduct their affairs in such a manner as to avoid (i) serving their own personal interests ahead of clients’, (ii) taking inappropriate advantage of their position with the Firm and (iii) any conflicts of interest or any abuse of their position of trust and responsibility. The purpose of the Code is to preclude activities that may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct. Clients and prospective clients may receive a copy of the Code upon request.

Neither we nor any related person recommends to clients or buys or sells for clients’ accounts securities in which we or a related person has a material financial interest.

The Firm, its management persons, and its employees may buy or sell securities we recommend to clients. Securities recommended by the Firm are usually widely held and publicly traded. We have developed policies and procedures under our Code that requires management persons and employees to disclose their personal securities holdings and transactions to our Firm. This is done so that we can monitor their investments to ensure compliance with our Code and our general fiduciary duty to clients.

Neither we nor any related person recommends securities to clients, or buys or sells securities for clients’ accounts, at or about the same time that we or any related person buys or sells the same securities for their own account.

Item 12 - Brokerage Practices

Modum has established relationships with various broker-dealers, including Interactive Brokers LLC, Morgan Stanley Smith Barney LLC, J.P. Morgan Securities LLC, and Merrill Lynch, Pierce, Fenner & Smith Incorporated. All are members of FINRA/SIPC/NYSE. When asked for a recommendation on where to establish brokerage accounts, Modum may recommend any of these broker-dealers to clients.

The primary factor in recommending a broker-dealer is that the services of the recommended firm are provided in a cost-efficient manner. The commissions charged by the aforementioned broker-dealers are competitive with similar firms offering the same services. However, clients are advised that they may be able to execute transactions through other broker-dealers at lower commission rates. Other considerations include the quality of their support services, their familiarity with the securities to be sold or purchased, their ability to use optimal execution algorithms, and level of net capital (financial strength).

Modum is not affiliated with any broker-dealer. We do not receive research or any product or service other than execution in connection with client securities transactions. We do not receive client referrals from broker-dealers. We do not aggregate the purchase or sale of securities for client accounts. This may negatively impact our ability to achieve the most favorable execution for client transactions.

Item 13 - Review of Accounts

We review client accounts at least annually. Reviews consider, at a minimum, (1) investment performance, (2) asset allocation, and (3) alignment with clients' goals. Reviews are performed by any of our management persons.

Additional reviews may be triggered by various events including, but not limited to, changes in the current market, economic, and political climate, as well as events in clients' financial or personal situations.

Clients under our Investment Management Service and/or our Advisory & Reporting Service receive quarterly reports prepared by the Firm. The reports include current holdings, current asset allocation, performance, and other relevant information. In addition, clients receive account statements directly from the custodian holding the client's account(s). Clients are urged to compare the reports and statements provided by us against the account statements delivered directly from the custodian.

Item 14 - Client Referrals and Other Compensation

Modum does not receive an economic benefit from anyone who is not a client in exchange for our provision of any service.

Item 15 - Custody

Modum is deemed to have custody of client funds and securities whenever the Firm is given the authority to have fees deducted directly from client accounts. In this scenario, client accounts are held by a qualified custodian in a separate account for each client under that client's name, and clients are provided with account statements directly from the qualified custodian. Clients are urged to compare the account statements delivered directly from the custodian against the reports and statements provided by us.

Modum, in its capacity as general partner of the Fund (see Item 10), is also deemed to have custody of the Fund's funds and securities. Modum has engaged an unaffiliated, independent fund administrator, to perform certain functions related to the Fund. Among these functions is preparing and delivering an account statement to each limited partner of the Fund. Modum has also engaged an unaffiliated, independent public accounting firm, to perform an annual audit of the Fund's financial statements.

Item 16 - Investment Discretion

Upon receiving written authorization from the client in our Investment Management Agreement, Modum provides discretionary investment management services for client accounts. When discretionary authority is granted, we will have the authority to determine the type of securities, number of securities, and quantity of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account.

In addition to the execution of our Investment Management Agreement, the client's qualified custodian and/or broker dealer may require the execution of a limited power of attorney or similar document to recognize Modum's discretionary trading authority.

Item 17 - Voting Client Securities

Our Firm does not vote proxies on behalf of clients. It is the client's ultimate responsibility to select and make all proxy voting decisions to vote all proxies for securities held in their accounts.

Clients should receive proxy notices directly from their custodian or transfer agent, as we will not deliver them. Although we do not vote for client proxies, if you have a question about these items, feel free to contact us.

Item 18 - Financial Information

This item is not applicable.