

Catherine Avery Investment Management LLC d/b/a CAIM LLC Client Brochure

This brochure provides information about the qualifications and business practices of Catherine Avery Investment Management LLC. If you have any questions about the contents of this brochure, please contact us at (203) 966-2712 or by email at: cavery@caimllc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Catherine Avery Investment Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Catherine Avery Investment Management LLC's CRD number is: 144946

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

This brochure ("Brochure"), dated March 31, 2019, is filed as the annual update to the Form ADV Part 2A. Our last annual amendment was dated March 21, 2018.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Catherine Avery Investment Management LLC (hereinafter “CAIM”) has been in business since August of 2007, and the principal owner is Catherine Maniscalco Avery.

B. Types of Advisory Services

CAIM offers the following services to advisory clients:

Investment Supervisory Services

CAIM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CAIM creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

CAIM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. CAIM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is offered to each client.

Subadviser Services

CAIM may also act as a subadviser to advisers unaffiliated with CAIM. These third-party advisers would outsource portfolio management services to CAIM. This relationship will be memorialized in each contract between CAIM and the third-party advisor.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; education planning; and debt/credit planning.

Services Limited to Specific Types of Investments

CAIM limits its money management to mutual funds, equities, bonds, fixed income, ETFs, real estate, hedge funds, REITs, private placements, and government securities. CAIM may use other securities as well to help diversify a portfolio when applicable.

D. Wrap Fee Programs

CAIM does not participate in any wrap fee programs.

C. Client Tailored Services and Client Imposed Restrictions

CAIM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent CAIM from properly servicing the client account, or if the restrictions would require CAIM to deviate from its standard suite of services, CAIM reserves the right to end the relationship.

E. Amounts Under Management

CAIM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 120,774,811.00	\$ 4,504,125.00	December 2018

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
\$1 - \$999,999	1.50%
\$1,000,000 - \$4,999,999	1.25%
\$5,000,000 and Above	0.80%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and are calculated based on the amount of client's assets under management with CAIM as of the last day of the prior quarter. Client authorizes CAIM to withdraw advisory fees directly from the client's accounts. CAIM will not be compensated on the basis of a share of capital gains upon or capital appreciation of client funds. All third party fees related to client's account, such as custodian, brokerage, mutual fund and transaction fees, will be deducted from client's account and are separate from and additional to CAIM's fees. Clients may terminate their contracts with one day written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Subadviser Services Fees

CAIM may also act as a subadviser to unaffiliated third-party advisers and CAIM would receive a share of the fees collected from the third-party adviser's client. The fees charged will not exceed any limit imposed by any regulatory agency. This relationship will be memorialized in each contract between CAIM and the third-party adviser.

Financial Planning Fees

Fixed Fees

The rate for creating client financial plans is \$1500 for existing clients as needed, and \$3,000 for non-clients. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

Payment of Subadviser Fees

Subadviser fees may be withdrawn from client's accounts or clients may be invoiced for such fees, as disclosed in each contract between CAIM and the applicable third-party adviser.

Payment of Financial Planning Fees

Fixed Financial Planning fees are paid via check, ACH transfer, or wire. Fees are paid in advance or arrears as agreed upon with client.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CAIM. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

CAIM collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

E. Outside Compensation For the Sale of Securities to Clients

Neither CAIM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

CAIM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

CAIM generally provides management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ Other Investment Advisers

Minimum Account Size

There is no account minimum.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

CAIM's methods of analysis include fundamental analysis and technical analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

CAIM uses long term trading and short term trading strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

Real Estate funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Private placements carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

CAIM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Certain representatives of CAIM are registered representatives of Pickwick Capital Partners, LLC. ("Pickwick") and accept compensation for securities transactions in this capacity. Pickwick is a registered securities broker-dealer and a member of FINRA and the SIPC. Pickwick is independently owned and operated, and is not affiliated with CAIM.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither CAIM nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither CAIM or its principals have outside affiliations that would pose a conflict of interest. CAIM does not recommend or select other investment advisers for its clients.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

CAIM does not utilize nor select other advisors or third party managers. All assets are managed by CAIM management.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients or prospective clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

CAIM does not recommend that clients buy or sell any security in which a related person to CAIM has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of CAIM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of CAIM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. CAIM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of CAIM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CAIM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian, Charles Schwab & Co., was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. CAIM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. Research and Other Soft-Dollar Benefits

CAIM receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. Brokerage for Client Referrals

CAIM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

CAIM will not allow clients to direct CAIM to use a specific broker-dealer to execute transactions. Clients must use CAIM recommended custodian (broker-dealer). By requiring clients to use our specific custodian, CAIM may be unable to achieve most favorable execution of client transactions and this may cost clients money over using a lower-cost custodian. All advisers do not require clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

CAIM maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

CAIM reviews the investment strategies and portfolio decisions of the accounts on a continuous basis. The accounts are reviewed annually with clients and can be conducted more frequently upon request from the client to the adviser assigned to the account. In addition, Catherine Maniscalco Avery, as the supervising principal of CAIM, may be involved with or supervise such reviews. There is no particular set of circumstances or factors that triggers a review. Instead, the adviser for an account maintains daily oversight of the trading and portfolio decisions of the account and conducts reviews on an ongoing basis.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Catherine Maniscalco Avery, President. There is only one level of review for financial plans, and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance). Reviews may include an account's performance in light of identified needs and objectives. Based on the review, CAIM may implement changes to the investments in the account, to the strategies or objectives employed by the account or to various weightings of particular securities in the relevant account's portfolio.

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly a written report that details the client's account which will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

CAIM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CAIM clients.

B. Compensation to Non -Advisory Personnel for Client Referrals

CAIM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

CAIM does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the Custodian. Clients are urged to carefully review the statements that they receive from the custodian.

Item 16: Investment Discretion

CAIM may and usually receives discretionary authority from its clients at the outset of the advisory relationship to select the identity and amount of securities to be bought, sold or otherwise traded in accordance with the investment strategy, risk limits and investment time of horizon agreed to in the Investment Advisory Contract. This authority includes a limited power attorney issued by the client which allows CAIM to trade the assets in an Account without obtaining specific consent for each individual transaction.

When selecting securities and determining amounts, CAIM observes those investment policies, limitations and restrictions, which are agreed to with the clients it advises.

Item 17: Voting Client Securities (Proxy Voting)

CAIM will accept voting authority for client securities in certain cases. When CAIM does accept voting authority for client securities, it will always seek to vote in the best interests of its clients. CAIM does not maintain preapproved voting guidelines but relies on the investment committee to determine the appropriate course of action in voting client securities that is in the best interest of the client. Clients may direct CAIM on how to vote client securities by communicating their wishes in writing or electronically to CAIM. When voting client proxies the investment committee will always hold the interests of the clients above its own interests. Clients of CAIM may obtain the voting record of CAIM on client securities by contacting CAIM at phone number or e-mail address listed on the cover page of this brochure. However, it is the responsibility of the custodian to ensure that CAIM receives notice of the relevant proxies sufficiently in advance of the meeting's cut-off date to vote, in order to allow CAIM to vote. CAIM is not responsible for voting proxies for which it does not receive timely notice from a custodian.

Item 18: Financial Information

A. Balance Sheet

CAIM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither CAIM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

CAIM has not been the subject of a bankruptcy petition in the last ten years.

