

DISCLOSURE BROCHURE

Cacti Asset Management, LLC

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This brochure provides information about the qualifications and business practices of Cacti Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 404-869-1469. 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 Cacti Asset Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2-Material Changes

Cacti Asset Management, LLC filed its initial ADV brochure in March 2011. Cacti Asset Management, LLC is providing this updated brochure to indicate that it shall, to the extent possible, aggregate orders for client and proprietary accounts. A fuller discussion of these policies and procedures can be found below under Item 12 - “Order Aggregation”. In addition, Cacti Asset Management, LLC is providing this updated brochure to clarify, by virtue of it being the general partner of the Cacti Partners, LP, it is deemed to have custody of Cacti Partners, LP’s funds and securities. A further discussion on this subject is provided under Item 15 – “Custody”.

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Item 4-Advisory Business

About Cacti Asset Management, LLC

Cacti Asset Management, LLC (“Cacti Asset Management”) was founded in 2001 by Joshua S. Pechter. It serves as the general partner and investment adviser of Cacti Partners, L.P. (“Cacti Partners”), a pooled investment vehicle. It is also the investment adviser for separately managed accounts for individuals, trusts, investment companies and foundations.

Cacti Asset Management is a journalistic research based investment adviser. Its primary investment strategy, which it applies to all client accounts, is to concentrate investments in common and preferred stocks which in its estimation offer attractive return potential relative to the risk of permanent loss. As of March 31, 2010, Cacti Asset Management’s assets under management are approximately \$227,780,000 over which Cacti Asset Management has discretionary investment authority.

Principal Owner

Joshua S. Pechter is the founder and managing partner of Cacti Asset Management. He graduated from Phillips Academy Andover in 1993 and from the Pennsylvania State University in 1997 with a degree in American Studies, magna cum laude and Phi Beta Kappa. In 2001, he received an MBA from Emory Business School. Prior to founding Cacti Asset Management, Mr. Pechter was president of Adjozo, Inc. (“Adjozo”), a privately held asset management business, which was formerly the general partner of, and currently an investor in, Cacti Partners. Adjozo managed \$75 million in assets invested in common equities, municipal bonds, government notes, and venture capital. From 1995 to 1998, Mr. Pechter was the managing director of Altoona Pipe and Steel Company (“APSC”) and a board member of Pechter, Inc., APSC’s parent. Mr. Pechter held daily management responsibilities and oversaw the company’s sales and marketing strategy.

Item 5-Fees and Compensation

How We Are Paid

Cacti Asset Management is paid based on a percentage of the assets under management. The fee is computed and billed to clients quarterly on the first month of each quarter (January, April, July and October) and is due upon receipt.

Fee Schedule

Cacti Asset Management generally charges clients a one percent per annum (1.00%) management fee, although it has the discretion to charge lower rates and fixed fees for certain accounts. Clients may also be charged brokerage, custody, and transaction fees by investment banks and broker-dealers, as more fully discussed below.

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

Cacti Asset Management has the right to charge its pooled vehicle client, Cacti Partners, a 20% performance fee, although Cacti Asset Management has the discretion to reduce said fee in certain circumstance. Cacti Asset Management manages this vehicle side by side with client accounts for which it has the right to charge solely an asset based or flat fee, which could create a potential conflict of interest in which the manager may favor the performance fee carrying account. To deal with this potential conflict in the event a performance fee is charged, Cacti Asset Management, invests in the same securities at substantially the same time and proportions regardless of the client account fee structure. Moreover, in executing trades, it rotates client accounts to help ensure best execution over time.

Item 7-Our Clients

Types of Clients

Cacti Asset Management manages one pooled vehicle, Cacti Partners, and separately managed accounts for high net worth individuals, foundations and trusts.

Minimum Account Size

Cacti Asset Management's minimum account size is \$1 million, but it has discretion to accept smaller account sizes under certain circumstances.

Item 8-Methods of Analysis, Investment Strategies and Risk

Our Investment Strategies

Cacti Asset Management is a journalistic research based investment adviser. Its primary investment strategy is to concentrate investments in common and preferred stocks which in its estimation offer attractive return potential relative to the risk of permanent loss. Cacti Asset Management evaluates each investment on a case-by-case basis using "journalistic research" to understand the true earning power of the business, including multiple points of primary contact per investment. This allows Cacti Asset Management to see opportunities and obstacles facing the business first-hand. It assesses businesses based on (1) an appraisal of the company's value based on the worth of its assets and liabilities and (2) the present value of the projected cash flow plus a nominal terminal value. Cacti Asset Management generally takes a long-term view when evaluating potential investments. Cacti Asset Management sells its investments when its estimate of intrinsic value has been reached or it concludes that its investment thesis has proven to be incorrect. Cacti Asset Management typically runs a concentrated portfolio of investments believing that truly good investments are difficult to find and, thus, when one is found it should represent a meaningful portion of one's assets. Concentrated investments also have a greater impact on performance.

Risk

Investing in securities involves the risk of loss. While Cacti Asset Management's ultimate goal is to provide attractive absolute returns over a long period of time, there can be no assurance we

will achieve this goal. Clients' portfolios have historically and will almost certainly experience losses in the future over certain periods of time.

Cacti Asset Management has no operating history prior to May 2001 upon which investors may evaluate the potential performance of the Fund. Prospective investors in Cacti Partners should also consider that Cacti Asset Management has not previously operated an investment fund.

In general, withdrawals by investors in Cacti Partners may not be made until January 1 at least four full calendar quarters after investment, after 60 days prior written notice, and thereafter may be made only as of any January 1 after 60 days prior written notice. However, Cacti Asset Management in its sole discretion may waive such restrictions. In addition, the transferability of interests in Cacti Partners will be restricted by provisions of federal and state securities laws, and transfers are prohibited except with the prior approval of Cacti Asset Management. There is no public market for the interests in Cacti Partners, and none will develop. Because of the limitation on withdrawal rights and the fact that interests are not tradable, an investment in Cacti Partners is a relatively illiquid investment and involves a high degree of risk. A subscription for limited partnership interests should be considered only by investors who have adequate means of providing for their needs and contingencies without expecting distributions or making withdrawals from Cacti Partners, who are financially able to maintain their investment and who can afford a loss of all of such investment.

Investments may be concentrated in the securities of relatively few issuers or issuers engaged in one or a few industries if Cacti Asset Management believes that market conditions warrant such concentration. During periods when investments are concentrated in a smaller number of issuers or industries, the risk of loss will be higher than would be the case with a diversified portfolio due to the possibility that the particular investments will experience losses greater than the market as a whole.

Cacti Asset Management's managing partner will be the only person to act on behalf of Cacti Asset Management with respect to management of the investments. As a result, investors' potential for success is expected to depend in particular on his ability to manage the investments, and the investors could be severely adversely affected in the event the Cacti Asset Management lost the services of Mr. Pechter for any reason.

For investors in Cacti Partners, Cacti Asset Management has generally determined the terms of the Partnership Agreement, which were not negotiated on an arm's-length basis. In addition, legal counsel for Cacti Asset Management has not acted as counsel for or represented the interests of the limited partners. Potential investors should consult with their own legal counsel with respect to Cacti Partners.

There is no assurance that future investments will be profitable. Any prior successful investment management, recommendations or analysis by Cacti Asset Management and any future successful performance cannot be relied upon as assuring further successful performance. Any future return on investment to investors will depend upon successful investments made at the direction of Cacti Asset Management. The value of any such investments will depend upon many factors beyond the control of Cacti Asset Management.

With respect to investors in Cacti Partners, there is no assurance that any future distribution will be made to the limited partners. Furthermore, the expenses of Cacti Partners may exceed its income.

Cacti Asset Management may acquire, either through separately managed accounts or in concert with Cacti Partners, a large enough percentage of the outstanding stock of a publicly owned company that it would be deemed to have a "control" position under the Securities Exchange Act of 1934 (the "Exchange Act"). In such an event, the investors and Cacti Partners would be subject to certain reporting and disclosure obligations under the Exchange Act, and their positions may increase the likelihood of the investors and Cacti Partners becoming involved in litigation concerning their holdings in such a company.

Certain inherent conflicts of interest are likely to arise as a result of Cacti Asset Management, its managing partner and affiliated persons carrying on similar investment activities both for themselves and for their clients. Cacti Asset Management, its managing partner and such other persons are or may be engaged in other business activities. Cacti Asset Management and such persons will not be required to refrain from any other activity or to disgorge any profits from any such activity, and will not be required to devote all of their time and efforts to their clients.

Cacti Partners, other investment funds in which Cacti Asset Management and its affiliates may participate as an investor or serve as a manager, and other investment management and consulting clients of Cacti Asset Management or their affiliates may have from time to time share administrative offices and utilize common services, facilities, investment research and management. Cacti Asset Management and such other persons may also determine from time to time that some investment opportunities are appropriate for certain investment management clients and not others due to differing objectives, time horizons, liquidity needs or availability, tax consequences and assessments of general market conditions and of individual securities. It may also occasionally be necessary to allocate limited investment opportunities among Cacti Partners and the separately managed accounts on a basis deemed appropriate by Cacti Asset Management, which may mean that Cacti Asset Management, its managing partner or other accounts managed by them achieve profits for some investors that other investors do not or avoid losses for some investors that other investors suffer.

Item 9-Disciplinary Information

Neither Cacti Asset Management, nor its managing partner, has been the subject of any complaints or been involved in any disciplinary proceedings since its inception.

Item 10-Other Financial Industry Activities and Affiliations

Cacti Asset Management does not have any material relationships with other financial industry participants. Cacti Asset Management does not refer clients to other investment advisors and it does not receive any compensation from other financial industry participants.

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

Cacti Asset Management has a fiduciary responsibility to treat clients fairly and avoid actual or potential conflicts of interest. The employees of Cacti Asset Management have an obligation to act solely in the best interests of clients, and to make full and fair disclosure of all material facts, particularly where the clients' interests may conflict with the interests of the firm or its employees.

Cacti Asset Management has adopted, and requires all employees to understand, acknowledge and follow, a Compliance Manual, which contains its Code of Ethics. The fiduciary principles that govern personal investment activities of employees are, at a minimum, the following: (1) the duty at all times to place the interests of clients first; (2) the requirement that all personal securities transactions be conducted in a manner that is consistent with Rule 204A-1 of the Advisers Act and in such a manner so as to avoid any actual or potential conflict of interest, or any abuse of an individual's position of trust and responsibility; and (3) the fundamental standard that personnel providing services to clients should not take inappropriate advantage of their positions. Cacti Asset Management's policy is that the interest and privacy of clients always comes first and all employees will conduct themselves in accordance with the highest standards of integrity, honesty and fair dealing. Cacti Asset Management's Code of Ethics is available to anyone upon request.

Employees of Cacti Asset Management may invest in the same securities (or related securities, e.g., warrants, options or futures) that Cacti Asset Management invests for, or recommends to, clients. This creates a potential conflict of interest between and among the manager, its employees, and its clients. To address this potential conflict, employees and their family primarily invest side by side with client accounts through Cacti Partners. Also, for employee or manager accounts outside of Cacti Partners excluding the allocation account, Cacti Asset Management's policy is to favor client accounts over those of itself and its employees and black out for one (1) day before or after trading a security for a client account employee and management company trading in the same security. Cacti Asset Management also does not permit principal transactions with client accounts or agency cross transactions except as allowed by Section 206(3) of the Investment Advisers Act. Employees are prohibited from trading on any insider (material non-public) information.

Employee security transactions are pre-cleared and reviewed by Cacti Asset Management's Chief Compliance Officer.

Item 12-Brokerage Practices

In General

Cacti Partners' assets are custodied with, and all Cacti Partners trades are cleared through, Pershing, LLC. Cacti Asset Management reviews execution prices at least annually to assure best execution for Cacti Partners.

Clients of separately managed accounts custody assets with, and direct trading, through the custody and execution firm(s) of their choosing.

Research and Soft Dollar Benefits

Cacti Asset Management does not accept or use soft dollar benefits.

Brokerage for Client Referrals

Cacti Asset Management does not receive client referrals from brokers.

Directed Brokerage

While Cacti Asset Management designates the custodian and executing broker for Cacti Partners, subject to best execution requirements and reviews, clients of separately managed accounts generally determine the entity as to both custodian and executing broker. However, Cacti Asset Management may offer such clients guidance on what it expects to be the most cost effective configuration for them.

Order Aggregation

In the event that Cacti Asset Management is investing in the same security at the same time on behalf of more than one client account, an order will be placed in the allocation account. If all such orders are not filled at the same price, Cacti Asset Management will, to the greatest extent possible, allocate the trades such that the order for each account is filled at the same average price. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, Cacti Asset Management will allocate the trades among the different accounts on a basis that it considers equitable.

Item 13-Review of Accounts

Accounts are monitored on a daily basis by Joshua Pechter for composition and market movement. Quarterly investor letters discussing the performance of investments and accounts are mailed to clients from Cacti Asset Management.

Item 14-Client Referrals and Other Compensation

Cacti Asset Management does not currently pay referral fees or any other benefits for referring clients to Cacti Asset Management.

Item 15-Custody

By virtue of being the general partner of Cacti Partners, Cacti Asset Management is considered to have custody of Cacti Partners' funds and securities, though an outside custodian holds these assets. Cacti Partners' assets are custodied with Pershing, LLC, which delivers quarterly statements to clients. Separately managed accounts are custodied with the custodian of the clients' choosing, and therefore receive as governed by those relationships. Investors are urged to compare these statements with any statements provided by Cacti Asset Management.

Cacti Asset Management engages Joseph Decosimo & Co., a PCAOB registered and inspected accounting firm, to audit Cacti Partners' financial statements annually and sends a copy of the audited financial statements each year to every investor of Cacti Partners within 120 days of the fund's fiscal year end.

Item 16-Investment Discretion

Cacti Asset Management has investment discretion for all accounts. Clients of separately managed accounts have entered into investment management agreements containing powers of attorney. Such clients may, but typically do not, restrict the investment discretion of Cacti Asset Management by placing, or not placing, recommended trades themselves.

Item 17-Voting Client Securities

Proxies for securities held in Cacti Partners' accounts are forwarded to Cacti Asset Management by the custodian holding the securities. Cacti Asset Management votes all such proxies in a prudent and timely manner in accordance with our Proxy Voting Policy outlined in our Compliance Manual. A copy is available upon request to any client or prospective client. Information on how votes were cast is also available to any client.

All proxies will be voted only after a careful evaluation of the issues presented on the ballot. Cacti Asset Management will provide adequate disclosure to clients if any voting issues raise an actual or potential conflict of interest for Cacti Asset Management.

Cacti Asset Management does not vote proxies for clients of separately managed accounts, as such proxies are delivered directly to such clients.

Item 18-Financial Information

Cacti Asset Management does not have any financial condition that would be likely to impair its ability to meet its commitments to its clients.