

Firm Brochure
(Part 2A of Form ADV)

Alterna Equity Partners Management LLC

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This Brochure provides information about the qualifications and business practices of Alterna Equity Partners Management LLC. If you have any questions about the contents of this brochure, please contact Nora Panuthos, Chief Compliance Officer. 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 the Firm is 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. The CRD number for the Firm is 313985.

March 31, 2022

Item 2 Material Changes

This Part 2A of Form ADV (“Firm Brochure”), dated **March 31, 2022**, is our annual amendment to ADV Brochure Part 2 prepared in accordance with the SEC’s rule requirements and rules. As you will see, this document is narrative format. We will ensure that you receive a summary of any material changes to this and subsequent Firm Brochures within 120 days of the close of our business’ fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Summary of Material Changes

There have been no material changes to structure, personnel, or operations since our last ADV update on September 22, 2021.

Firm Brochure Available

If at any time you would like to receive a copy of our Firm Brochure, please contact us by telephone 954-703-2020 ext. 309 or by email at: npanuthos@alternafinancial.com

Item 3 Table of Contents

Item 2	Material Changes.....	i
Item 3	Table of Contents	1
Item 4	Advisory Business	2
Item 5	Fees and Compensation	4
Item 6	Performance-Based Fees	5
Item 7	Types of Clients	5
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9	Disciplinary Information	10
Item 10	Other Financial Industry Activities and Affiliations	10
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
Item 12	Brokerage Practices	11
Item 13	Review of Accounts	13
Item 14	Client Referrals and Other Compensation	13
Item 15	Custody	14
Item 16	Investment Discretion	14
Item 17	Voting Client Securities	14
Item 18	Financial Information	15

Item 4

Advisory Business

A. FIRM DESCRIPTION

Alterna Equity Partners Management LLC (“Alterna” or the “Firm”) is an investment management and advisory services firm that is registered with the U.S. Securities Exchange Commission (“SEC”) as an investment adviser. It was founded on December 29, 2020 in the State of Florida. Alterna was founded by a group of experienced investment professionals with extensive and complementary financial industry backgrounds.

Alterna’s current advisory activities include providing discretionary investment advisory services to a private fund.

Principal Owners: Alterna Equity Partners Holdings LLC (AEPH) owns 100% of the Firm. Alterna Equity Partners LLC (AEP) owns 66.7% and Casey Swercheck own 33.3% of AEPH, respectively. Robert Konrad owns 100% of (AEP).

TYPES OF ADVISORY SERVICES

Currently, Alterna provides discretionary investment advisory services to three private fund(s).

Private Funds

Alterna serves as the Investment Manager to Alterna Equity Partners Fund I LP, Alterna Capital Solutions Equity LLC, and Alterna Capital Solutions Income LLC, respectively, as described more fully in ADV Part 1A Item 7.b.(1) Private Fund Reporting. An affiliated entity by common control & ownership also serves as the General Partner of the fund(s). For a full description of the fund(s) and their strategies, please refer to the fund offering documents.

B. TAILORED RELATIONSHIPS

Alterna does not provide customized investment advisory services for clients based upon the client’s risk tolerance, investment objective & time horizon.

C. WRAP FEE PROGRAM

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the Clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a “bundled” form. In exchange for these “bundled” services, the Clients pay an all-inclusive (or “wrap”) fee determined as a percentage of the assets held in the wrap account. Alterna does not sponsor or manage a wrap fee program.

D. ASSETS UNDER MANAGEMENT

Alternna manages approximately \$79,814,827 in assets on a discretionary basis. Total Assets Under Management are \$79,814,827. These figures are based on calculations as of December 31, 2021.

Item 5 Fees and Compensation

A. DESCRIPTION OF FEES

Alternna may tailor fee arrangements to fit client objectives. Fees are negotiable on a client-by-client basis.

1. Asset Management

Unless otherwise described below or negotiated with a specific client, Alternna charges annual fees based on assets under management. For services provided to the Alternna Equity Partners Fund I LP, Alternna will charge a management fee of 2.0% per year, charged quarterly (0.50%) and a performance or incentive fee of up to 20.0% per year. For services provided to Alternna Capital Solutions Equity LLC and Alternna Capital Solutions Income LLC a separate sub-advisory agreement governs the fees charged and received.

Alternna's fees are exclusive of brokerage commissions, external sub-advisor/manager fees, custodial fees, transaction fees, and other related costs and expenses, which are incurred by the client. Third party mutual funds, exchange-traded products, private placements also charge internal management and administrative fees that are disclosed in either a prospectus or private placement memorandum. Such charges and fees are in addition to Alternna's fee.

Alternna may provide advice to clients regarding investments in third party private placement funds, private investments, exchange traded products, and mutual fund shares. Each of these funds pays fees, borne by its shareholders, to the manager of the fund. Typically, Alternna bases its fee on a percentage of the market value of all assets in the client's account, including the value of these other funds. As a result, a client whose portfolio is invested in one or more of these funds will bear the client's proportionate share of those fund's fees and expenses and pay another fee to Alternna. The client could invest in the same fund(s) without paying a fee to Alternna, but would then not have the benefit of the advice, analyses, and monitoring Alternna provides. If Alternna were to recommend investment in a product which Alternna directly manages, and for which they earn a management fee, then the client will not pay duplicate fees to Alternna on that amount invested. There may be a layering of fees when a client or investor participates via a Fund of a Fund type of vehicle. Each client or investor is encouraged to read the disclosure statements in the Brochure and Private Placement Memorandum (PPM).

Alternna may at its sole discretion negotiate or waive stated fees on a client by client basis.

B. BILLING PROCEDURES

The advisory fees are generally payable on a quarterly basis and in accordance with the terms agreed upon by Alternna and each respective client.

All fees paid to Alternna are separate and distinct from other fees charged by third

party sub-advisors or funds to their shareholders. Fees and expenses paid by shareholders in the fund are described in each Fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee and/or performance fee.

C. OTHER COMPENSATION

Neither the Firm nor its principals accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Performance-based fees ("Performance Fees") are based on a share of the capital gains or capital appreciation of the assets of a client. Fees based on performance means Alterna participates directly in the account's results. The Performance Fee may indirectly create an incentive for the Firm to make investments on behalf of the client that are riskier or more speculative than would be the case in the absence of such a fee.

Alterna investment strategies use proprietary security selection methodology. These strategies may have Performance Fees up to 20.0%, subject to a high water mark or hurdle as agreed to with the Client. Alterna may manage separately-managed accounts (SMA) and therefore there may be side-by-side management conflicts. Each client or investor is encouraged to read the disclosure statements in the Brochure and Private Placement Memorandum (PPM).

Item 7 Types of Clients

Alterna provides discretionary advisory services to a private fund. It may at its discretion provide advisory services to clients who choose to invest in separately-managed accounts instead of the private fund.

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

A. METHODS OF ANALYSIS

Alterna uses a variety of resources to form an investment idea or strategy. Alterna employs a careful and diligent process in the identification of suitable investments combining advanced quantitative techniques to help make better informed qualitative decisions. Alterna believes that both traditional and alternative investment strategies create the potential for producing enhanced risk-adjusted returns and diversification benefits when incorporated as part of a long-term investment program.

Alterna believes it is possible to identify, access, and construct portfolios that, over an entire market cycle, have the ability to deliver enhanced risk-adjusted returns and diversification benefits. Based on these beliefs, Alterna utilizes an open architecture approach to constructing client solutions. This can entail a multi-strategy and multi-manager approach for the construction of various client portfolios. Generally, Alterna

invests or trades in a wide range of securities and employs diverse investment techniques and strategies. Alterna determines the appropriate investment strategies and monitors the ongoing performance of those strategies.

Alterna seeks appropriate investment strategies across many traditional and alternative vehicles including, but not limited to, traditional investments in stocks, long/short equity, statistical relative value, fixed income, merger arbitrage and event-driven, convertible arbitrage, asset arbitrage, distressed investing, global macro, commodities, mutual funds, exchange traded products, private equity, asset-based finance, and venture capital.

Alterna will draw upon the expertise of its principals and staff, in managing strategies and other appropriate solutions and vehicles.

B. INVESTMENT STRATEGIES

Alterna believes that both traditional and alternative investment strategies create the potential for producing enhanced risk-adjusted returns and diversification benefits when incorporated as part of a long-term investment program.

C. RISK OF LOSS

Investing involves risk of loss that clients should be prepared for in various investment environments. Principal loss is possible. For example, mutual funds, private placements, separately managed accounts, and other vehicles can make short sales of securities, which involves the risk that losses in securities may exceed the original amount invested. Mutual Funds, private placement funds, and ETFs may use leverage which may exaggerate the effect of any increase or decrease in the value of portfolio securities or the Net Asset Value of the fund, and money borrowed will be subject to interest costs. Investments in smaller companies involve greater risks such as limited liquidity and greater volatility. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Mutual Funds, and ETFs may use certain types of investment derivatives such as futures, forwards, and swaps. Derivatives involve risks different from, and in certain cases, greater than the risks presented by more traditional investments. Diversification does not assure a profit or protect against a loss in a declining market. INVESTORS MAY LOSE THEIR INVESTMENT PRINCIPAL.

1. Alternative Investments

Alternative investment products often engage in leveraging and other speculative investment practices that may increase the risk of investment loss. Because risks are inherent in all the investments in which a fund engages, no assurances can be given that a fund's investment objectives will be realized.

An investor could lose all or a substantial amount of his or her investment. Notwithstanding the method of analysis or investment strategy employed by the Firm, the assets within a fund are subject to risk of devaluation or loss. An investor should not make an investment in a fund with the expectation of sheltering income or receiving cash

distributions.

An investment in an alternative strategy should form only part of a complete investment program, and an investor must be able to bear the loss of its entire investment. Investors are urged to consult with their personal advisers before investing in the Fund.

Management Risk: The skill of the Firm will play a significant role in its ability to achieve a client's investment objectives. Such investment involves a high degree of risk. Because risks are inherent in all the investments in which the Firm engages, no assurances can be given that the Firm's investment objectives will be realized.

2. General Risk Factors

The following principal risks relate to the types of investments that Alterna (or its managers/sub-advisors) may make or recommend. These risks as well as other risks unforeseen and not listed below, could affect the value of a shareholder or investor within a fund or a separately managed account.

- *Market Risk.* The value of the Fund's shares will fluctuate as a result of the movement of the overall stock market or of the value of the individual securities held by the Fund, and you could lose money.
- *Growth Stock Risk.* Growth stocks may be more volatile than other stocks because they are generally more sensitive to investor perceptions of the issuing company's earnings growth potential.
- *Value Stock Risk.* Value stocks can perform differently from the market as a whole and from other types of stocks. While certain value stocks may increase in value more quickly during periods of anticipated economic upturn, they may also lose value more quickly in periods of anticipated economic downturn.
- *Foreign and Emerging Market Securities Risk.* Foreign investments may carry risks associated with investing outside the United States, such as currency fluctuation, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. Those risks are increased for investments in emerging markets.
- *Currency Risk.* Changes in foreign currency exchange rates will affect the value of what a client owns and the share prices. Generally, when the U.S. dollar rises in value against a foreign currency, an investment in that country loses value because that currency is worth fewer U.S. dollars. Devaluation of a currency by a country's government or banking authority also will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets.
- *Small and Medium Companies Risk.* Investing in securities of small and medium capitalization companies may involve greater volatility than investing in larger and more established companies because small and medium capitalization companies can be subject to more abrupt or erratic share price changes than larger, more established companies.
- *Derivatives Risk.* The use of derivatives (which may include options, futures, swaps and forward foreign currency contracts) may reduce a vehicle's returns and/or increase volatility. A risk of the use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.

- *ETF and Mutual Fund Risk.* When the Firm invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the particular operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Inverse ETFs are subject to the risk that their performance will fall as the value of their benchmark indices rises. Fund(s) also will incur brokerage costs when they purchase ETFs.
- *Fixed Income Securities Risk.* Interest rates may go up resulting in a decrease in the value of fixed income securities. Credit risk is the risk that an issuer will not make timely payments of principal and interest. There is also the risk that an issuer may “call,” or repay, its high yielding bonds before their maturity dates. Fixed income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Limited trading opportunities for certain fixed income securities may make it more difficult to sell or buy a security at a favorable price or time.
- *High-Yield Securities Risk.* Fixed income securities that are rated below investment grade (i.e., “junk bonds”) are subject to additional risk factors such as increased possibility of default liquidation of the security, and changes in value based on public perception of the issuer.
- *Government-Sponsored Entities Risk.* Securities issued by government-sponsored entities may not be backed by the full faith and credit of the United States.
- *Exchange-Traded Note Risk.* The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying securities’ markets, changes in the applicable interest rates, changes in the issuer’s credit rating and economic, legal, political or geographic events that affect the referenced index. In addition, the notes issued by ETNs and held by a fund are unsecured debt of the issuer.
- *Leverage and Short Sales Risk.* Leverage is the practice of borrowing money to purchase securities. It can increase the investment returns of a fund if the securities purchased increase in value in an amount exceeding the cost of the borrowing. However, if the securities decrease in value, the Fund(s) will suffer a greater loss than would have resulted without the use of leverage. A short sale is the sale by a fund of a security which it does not own in anticipation of purchasing the same security in the future at a lower price to close the short position. A short sale will be successful if the price of the shorted security decreases. However, if the underlying security goes up in price during the period in which the short position is outstanding, the Fund(s) will realize a loss. The risk on a short sale is unlimited because the Fund(s) must buy the shorted security at the higher price to complete the transaction. Therefore, short sales may be subject to greater risks than investments in long positions.
- *Sector Risk.* To the extent the Firm invests a significant portion of its assets in the securities of companies in the same sector of the market, the Firm is more susceptible to economic, political, regulatory and other occurrences influencing those sectors.
- *Portfolio Turnover Risk.* A high portfolio turnover rate (100% or more) increases transaction costs (including brokerage commissions and dealer costs), which would adversely impact the portfolio’s performance. Higher portfolio turnover may result in

the realization of more short-term capital gains than if the portfolio had lower portfolio turnover.

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of losses, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Inflation Risk:* When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation. *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Fraud Risk:* Alterna may limit access to information regarding the activities of the Sub-Advisors. Furthermore, it cannot guarantee the accuracy or completeness of such information. As a consequence, it will be difficult, if not impossible, to avoid the risk of Sub-Adviser fraud, misrepresentation or material strategy alteration.

While this information provides a synopsis of the events that may affect your investments, this listing is not exhaustive. We want you to understand that there are inherent risks associated with investing and depending on the risk occurrence; you may suffer LOSS OF ALL OR PART OF YOUR PRINCIPAL INVESTMENT.

Item 9 Disciplinary Information

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10 Other Financial Industry Activities and Affiliations

A. FINANCIAL INDUSTRY ACTIVITIES

Alterna is not registered as a broker-dealer, or a futures commission merchant, or commodity trading adviser.

No management person(s) are associated person(s) of a futures commission merchant, commodity pool operator or commodity trading adviser.

B. FINANCIAL INDUSTRY AFFILIATIONS

Alternia is not registered as a Futures Commission Merchant, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, none of Alternia's management or supervised persons are registered as, or have applications pending to register as associated persons of the foregoing entities.

C. AFFILIATIONS

Alternia does not have any arrangements that are material to its advisory business or to its clients with a related person who is a broker-dealer, investment company, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships not already listed herein.

D. OTHER INVESTMENT ADVISERS

Alternia is affiliated by common control and ownership with Socius Family Office, LLC an SEC-registered investment advisor formed for the purpose(s) of providing advisory services to individuals, high net worth individuals & family offices.

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

A. DESCRIPTION OF CODE OF ETHICS

Alternia's Code of Ethics is designed to prevent conduct that could create an actual or potential conflict of interest with any client. While affirming its confidence in the integrity and good faith of all its employees, Alternia recognizes that certain personnel have or may have knowledge of present or future portfolio transactions and, in certain circumstances, the power to influence portfolio transactions made by clients. Furthermore, if such individuals engage in personal securities transactions, these individuals could be in a position where their personal interests may conflict with the interests of Alternia's clients.

Alternia's Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, market timing, late trading and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. The Firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

All personal securities transactions shall be conducted consistent with the Code and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility.

B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Each client will be advised of any potential conflict of interest.

Alternia or a related person may from time-to-time purchase for its own account securities recommended by Alternia. However, any purchase or sale of a security by Alternia or a related person will be subject to Alternia's fiduciary duty to its Clients. Alternia and its employees have a fiduciary duty to place the interests of their clients ahead of their own interests.

C. PROPRIETARY/SIMULTANEOUS TRADING

At times, Alterna and/or its supervised persons (i.e., Investment Adviser Representatives) may buy or sell securities for their own accounts that Alterna has also recommended to its clients. This presents a conflict of interest. It is the policy of Alterna that supervised persons must avoid security transactions and activities for their own accounts that might conflict with or be detrimental to the interest of the clients. To the extent supervised persons are aware of trades in individual issues being considered, recommended, or traded for the clients account, the supervised persons will make every effort to trade in their own accounts after trades are executed for the clients. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, they will monitor their proprietary and personal trading reports for adherence to their Code of Ethics. Alterna will always document any transactions that present conflicts of interest. In any instance where similar securities are being bought or sold, they will uphold their fiduciary duty by always transacting on behalf of their clients before transacting for their own benefit.

Item 12 Brokerage Practices

A. SELECTION AND RECOMMENDATION

Mutual Funds: Prime and executing brokers for certain investment vehicles may not have been selected by Alterna.

Alterna may recommend a broker and custodian and generally will seek competitive commission rates & fees. It will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker-dealer involved resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services. The reasonableness of commissions is based on the broker-dealer's ability to provide professional services, competitive commission rates, research and other services that will help in providing investment management or advisory services.

Alternative Funds: With respect to private funds, Alterna may or may not select or recommend brokers or custodian because investment management involves investing in other investment funds. Alterna has no discretion with respect to the selection of brokers (other than to select brokers to liquidate any redemption proceeds received by a fund in kind). Underlying money managers will allocate portfolio transactions to brokers. It is expected that brokers will generally be selected on the basis of best execution and also in consideration of such brokers' provision or payment of the costs of research and other investment-management-related services and equipment as permitted by Section 28(e) of the Exchange Act, as amended. Please refer to Section 12.B. below.

Institutional Advisory Services: Alterna will generally recommend broker-dealers or custodians that it has established arrangements or agreements. In instances where Alterna has discretion with respect to broker-dealer selection, Alterna will seek "best execution" for each trade, which is a combination of price, quality of execution and other factors. In making brokerage determinations, Alterna will consider a number of judgmental factors, including, without limitation: 1) clearance and settlement capabilities; 2) quality of confirmations and account statements; 3) the ability of the broker to settle the trade promptly and accurately; 4) the financial standing, reputation

and integrity of the broker-dealer; 5) the broker-dealer's access to markets, research capabilities, market knowledge, and any "value added" characteristics; 6) Alterna's past experience with the broker-dealer; 7) Alterna's past experience with similar trades; and 8) any other factors. Recognizing the value of these factors, clients may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. Alterna recognizes that "Best execution" is not synonymous with lowest brokerage commission.

B. SOFT DOLLARS

Alterna has not generated "soft dollars" benefits as of the date of this Brochure. Alterna may generate "soft dollars" with respect to investments. If and when it does, then Alterna intends to comply with the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under "soft dollar" arrangements, one or more of the brokerage firms would provide or pay the costs of certain services, equipment, or other items for the benefit of Alterna. These soft dollar arrangements may benefit Alterna by reducing its expenses. Nonetheless, Alterna believes that to the extent it makes allocations to brokerage business with soft dollar arrangements, this would generally enhance the ability to obtain research, optimal execution and other benefits on behalf of their clients.

C. BROKERAGE FOR CLIENT REFERRALS

Alterna does not receive client referrals from third parties for recommending the use of specific broker-dealer brokerage services. See Item 12A.

D. DIRECTED BROKERAGE

Directed brokerage arrangements are not applicable to the investment management policies of Alterna. Alterna does not permit clients to direct the use a particular brokerage firm.

E. ORDER AGGREGATION

The Funds: Alterna investment advisory services involve advising investment portfolios with respect to choosing third party funds, money managers and sub-advisers to manage the Funds' account portfolios. Due to the nature of these consulting agreements, order aggregation is not applicable to nor affects the investment management policies of Alterna.

Advisory Services: Alterna may, at times, aggregate sale and purchase orders of securities for advisory accounts with similar orders in order to obtain the best pricing averages and minimize trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the client. Clients also benefit relatively with better purchase or sale execution prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Alterna's policies and procedures mandate aggregating multiple orders. Aggregate orders will be allocated to client accounts in a systematic non-preferential manner. Alterna may aggregate or "bunch" transactions for a client's account with those of other clients in an effort to obtain the best execution under the circumstances.

Item 13 Review of Accounts

A. PERIODIC REVIEWS

Client accounts are monitored on an ongoing basis for performance and suitability in respect of each account's investment objective.

Client accounts are monitored in terms of securities holdings, asset mix and adherence to investment guidelines. The investment portfolios are reviewed no less frequently than monthly. These reviews may include discussions on the following: (1) material changes to the Sub-Adviser's business operations, personnel, etc. (2) evaluation of investment decisions in relation to the client investment objectives (3) utilization of appropriate investment strategies (4) portfolio performance (5) any topic pertinent to the review of the investment portfolio.

B. INTERMITTENT REVIEW FACTORS

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in client's or the Funds' objectives.

Item 14 Client Referrals and Other Compensation

ECONOMIC BENEFITS FOR ADVISORY SERVICES RENDERED

The Firm does not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its Clients.

The Firm may pay others to solicit Clients. Any payment for solicitation of Client(s) will be made pursuant to a written solicitation disclosure agreement.

Item 15 Custody

A. CUSTODIAN OF ASSETS

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. Alterna does not have direct custody of any client funds and/or securities. Alterna will not maintain physical possession of client funds and securities. Instead, client's funds and securities are held by a Alterna preferred qualified custodian.

Funds and Institutional Advisory Services: Alterna may have custody of client assets because it has the ability to deduct advisory fees payable to it, and has a general power of attorney over certain client accounts. While Alterna does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application. In certain jurisdictions, the ability of a Firm to withdraw its advisory fees from the client's account may be deemed custody. The physical assets of each client, however, are held at each client's qualified custodian. Alterna may be deemed to have custody of assets in the Alterna Equity Partners Fund I LP because an affiliated entity, Alterna Equity Partners GP LLC serves as General Partner of the Fund.

B. ACCOUNT STATEMENTS

Clients will receive statements and reports that include: (a) confirmation statements;

(b) annual and semi-annual shareholder reports; and (c) quarterly account statements.

Item 16 Investment Discretion

If Alterna has full discretionary authority, then it will supervise and direct the investments of client accounts. The client grants this authority upon execution of their Investment Management Agreement. This authority is for the purpose of making and implementing investment decisions, without prior consultation with the client. All investment decisions are made in accordance with the client's investment objectives. The client may inform the Firm of restrictions that they would like to impose regarding investment strategies or types of securities transactions within your account(s).

Item 17 Voting Client Securities

Under Section 206 of the Advisers Act, an investment adviser has a fiduciary duty to vote proxies in the best interests of the client and to treat clients fairly. In cases where Alterna exercises discretion over the purchase of securities (other than investments in private funds and mutual funds), Alterna may vote proxies related to securities held by any client's account over which it maintains discretionary authority consistent with its proxy voting policy. Proxy votes generally will be cast in a manner that is in the best interest of the client.

In exercising its voting discretion, Alterna shall seek to avoid any direct or indirect conflict of interest raised by such voting decision. If the Chief Compliance Officer believes that there is any potential material conflict of interest for the Firm on a particular proxy vote, it is to be turned over to the Investment Management Committee for the voting decision.

Consistent with Rule 206(4)-6 of the Advisers Act, Alterna will retain certain records required by applicable law in connection with its proxy voting activities for clients and shall provide proxy-voting information to clients upon their written or oral request. A copy of Alterna's proxy voting policies and procedures is available to clients upon request.

Proxy Voting Delegation

Alterna's policy will require that proxies received will be voted in a manner consistent with the best interests of the investment portfolio and its clients. As required, Alterna may present to Alterna's clients, at least annually, their policies and a record of each proxy voted by the sub-advisers on behalf of clients, including a report on the resolution of all proxies identified by the Adviser as involving a conflict of interest.

When a material conflict of interest between Alterna's interests and its Clients' interests appears to exist, Alterna may choose among the following options to eliminate such conflict: (1) for routine matters, voting in accordance with Alterna's policies and procedures and the guidelines, where doing so involves little or no discretion; (2) if possible, erect information barriers around the person or persons making voting decisions sufficient to insulate the decision from the conflict; (3) notify affected Clients

of the conflict of interest and seek a waiver of the conflict; (4) if agreed upon in writing with the Client, forward the proxies to affected Clients allowing them to vote their own proxies; or (5) may convene an ad-hoc committee of no fewer than two senior executives with the portfolio manager to debate the conflict and to give ruling on the preferred course of action. In all instances, Alterna will seek to resolve the conflict in a manner that is acceptable to all affected parties and is in the best interests of any affected Client(s).

Item 18 Financial Information

A. FINANCIAL CONDITION

Alterna does not have any financial impairment that would preclude the Firm from meeting contractual commitments to Clients.

B. BANKRUPTCY PETITION FILINGS

Alterna has not been the subject of a bankruptcy petition at any time during the last ten (10) years.