

Item 1: Cover Page

Part 2A of Form ADV: Blackthorn Investment Group, LLC Brochure

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This brochure provides information about the qualifications and business practices of Blackthorn Investment Group, LLC. ("Blackthorn" or the "Advisor") If you have any questions about the contents of this brochure, please contact us at (913) 451-7770 or by email at InvestorRelations@blackthorngroup.com The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC"), or by any state securities authority.

Additional information about Blackthorn is available on the SEC's website at www.adviserinfo.sec.gov.

Blackthorn may refer to itself as a registered investment adviser with the SEC or indicate that it is registered as an investment adviser with the SEC. These references do not imply that Blackthorn has a certain level of skill or training.

March 30, 2011

Item 2: Material Changes

Material Changes since the Last Update

The SEC adopted amendments to Part 2 of Form ADV effective October 2010 which changes must be implemented by Blackthorn by March 31, 2011. The amended Part 2 of Form ADV consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update of the Brochure must now include a summary of all material changes since the last annual update. Blackthorn is only addressing material changes since its last annual update which occurred on January 8, 2010. These material changes that have occurred since our last annual include conforming Blackthorn's Brochure such that it meets the requirements of Part 2A which is materially different in structure and contains certain new information that Blackthorn's previous brochure did not require.

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Item 4: Advisory Business

Firm Description and Principal Owners

Blackthorn is a specialized asset management firm focused on a clearly defined set of equity based, market neutral investment strategies. Based in Overland Park, Kansas, Blackthorn serves its clients through a US-domiciled private investment fund, a Bermuda-domiciled private investment company and various customized managed accounts, and has been in operation since 1999.

Blackthorn's principal owners are Todd Banks and Montgomery McClain, each of whom are principals and founders and serve as portfolio managers.

Types of Advisory Services

Blackthorn provides investment advisory services focused on the equities markets deploying relative value and event driven strategies. The investment strategy of (i) Blackthorn's Partnership and Fund (as each term is defined in Item 7 herein) clients is set forth in their respective offering documents and, (ii) managed account clients is based on the individual needs of such clients. Investors investing in the Partnership or the Fund cannot generally place investment restrictions on Blackthorn. Such prospective investors may consider opening a separately managed account with Blackthorn.

Tailored Relationships

Blackthorn's investment advisory services as it relates to each separately managed account client are tailored to the individual needs of each such client. In particular, Blackthorn considers each such client's size, investment mandate, interest in leverage, tax implications and sophistication. Separately managed account clients may impose restrictions on Blackthorn's investment in certain securities or types of securities.

Wrap Fee Programs

Blackthorn does not participate in a wrap fee program.

Client Assets

As of March 1, 2011, Blackthorn manages client assets of \$358,000,000 on a discretionary basis. Blackthorn does not presently provide investment advisory services for any clients on a non-discretionary basis.

Item 5: Fees and Compensation

Description

The Partnership: Blackthorn receives from the Partnership a fixed management fee at an annual rate equal to 1.5% of the net asset value of each limited partner's capital account, calculated and payable monthly in advance. Management fees may be reduced or waived at the discretion of Blackthorn with respect to certain investors. Certain affiliates and employees may not pay any management fees. All fees are deducted directly from the Partnership by Blackthorn or Blackthorn Capital, LLC (an affiliate of Blackthorn). Blackthorn does not pro-rate management fees for partial periods and, if a limited partner

withdraws from the Partnership prior to a month-end, Blackthorn does not rebate management fees paid in advance.

Blackthorn is also entitled to receive a management fee with respect to Special Situation Investments held in the Partnership equal at an annual rate of 1.5% of the book value of each such illiquid investment, payable in accordance with the terms otherwise as set forth herein with respect to the liquid assets held by the Partnership.

The Fund: Blackthorn receives a fixed management fee from the Fund at an annual rate equal to 1.5% of the net asset value of the Fund as it relates to each shareholder, calculated and payable monthly in advance. Management fees may be reduced or waived at the discretion of Blackthorn. Certain affiliates of Blackthorn may not bear the management fees. If applicable, fees are deducted directly from the Fund by Blackthorn. Blackthorn does not pro-rate management fees for partial periods and, if a shareholder redeems from the Fund prior to a month-end, Blackthorn does not rebate management fees paid in advance.

Blackthorn is also entitled to receive a management fee with respect to Special Situation Investments held in the Fund equal to an annual rate of 1.5% of the book value of each such illiquid investment, payable in accordance with the terms otherwise set forth herein with respect to the liquid assets held by the Fund.

To the extent that the Fund invests all or a portion of its assets in the Partnership, management fees may be payable at the Fund level, or in the alternative, such fees may be waived at the Fund level and the Fund may be subject to the same charges at the Partnership level. In such case, the amounts charged at the Partnership level will be equal to the fees payable at the Fund level. In no event shall the management fee be duplicated at the Partnership level and at the Fund level.

The Partnership and the Fund - Special Situation Investments. If an investor requests a full withdrawal of its investment at the time the Partnership or the Fund holds an illiquid investment, the Partnership or the Fund shall withhold from the withdrawal proceeds of such investor an amount equal to one (1) year of management fees payable with respect to such Special Situation Investments and shall keep the Management Fee Holdback invested in the Partnership or the Fund designated for such investor from which the management fees shall be deducted when due. If the Partnership or the Fund disposes of an illiquid investment prior to the expiration of such one (1) year period, the excess will be distributed in accordance with the applicable withdrawal terms. If an illiquid investment is held by a fully withdrawn investor for longer than such one (1) year period, once the illiquid investment is disposed of, any additional amounts owed will be deducted from the proceeds to such investor.

Managed Accounts: By its nature, each managed account is unique and customized to each individual client. Therefore, the fee structure will reflect the degree of customization required by the client and the commercial value of the account to Blackthorn but generally range from .50% to 1.50% of the net asset value of the assets under management with each managed account client. The fee structure for managed accounts will generally vary based on circumstances including but not limited to the size of the account, its use of leverage, hurdle rates, expenses incurred, reporting requirements, and termination provisions all of which are individually negotiated. Generally, asset-based fees are charged on a monthly or quarterly basis in arrears. Asset-based fees are prorated for partial periods.

Whether or not fees are deducted directly from managed account clients or invoiced to such clients is negotiated on a case by case basis. Clients that are invoiced receive such invoices according to the terms of each separately managed account agreement.

All clients: Clients generally pay for all applicable ongoing costs and expenses associated with the operation of their accounts, including but not limited to, brokerage commissions, research expenses, custodial and prime brokerage fees, stock loan expenses, administration fees, SEC fees, bank fees, audit and tax fees, legal fees, software expenses, organizational expenses, directors' fees, secretarial fees, software expenses, registration expenses, and governmental fees. See Item 12 for information relating to Blackthorn's brokerage practices.

See Item 6 below for a description of the performance-based fees Blackthorn is entitled to receive from its clients.

None of Blackthorn or any of its supervised persons accepts 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 & Side-by-Side Management

Sharing of Capital Gains or Capital Appreciation

The Partnership: Blackthorn's affiliate, Blackthorn Capital, LLC, receives an annual performance allocation equal to 20% of the net capital appreciation allocated to each limited partner's capital account, payable at the end of the Partnership's fiscal year or at the time of withdrawal from the Partnership. Certain affiliates and its employees may not bear the performance allocation.

Blackthorn Capital, LLC will not receive a performance allocation on assets of the Partnership which are Special Situation Investments generally until it is liquidated.

The Fund: Blackthorn receives an annual performance-based fee equal to 20% of the appreciation generated with respect to each Fund shareholder's shares, at the end of the fiscal year or at the time of redemption. Certain affiliates and its employees may not bear the performance fee.

Blackthorn will not receive a performance-based fee on assets of the Fund which are Special Situation Investments generally until it is liquidated.

To the extent that the Fund invests all or a portion of its assets in the Partnership, performance compensation may be payable at the Fund level, or in the alternative, such compensation may be waived at the Fund level and may be allocated at the Partnership level. In such case, the amounts allocated at the Partnership level will be equal to the performance fees payable at the Fund level. In no event shall performance compensation be duplicated at the Partnership level and at the Fund level.

Managed Accounts: By its nature, a managed account is a unique and customized private investment vehicle. Therefore, the fee structure will reflect the degree of customization required by the client and the commercial value of the account to Blackthorn. The fee structure for a managed account will generally include performance based compensation ranging from 20%-30% of net profits of such account and may vary based on circumstances including but not limited to the size of the account, its use of leverage, hurdle rates, expenses incurred, reporting requirements, and termination provisions all of which are individually negotiated. Performance compensation (if any) is payable quarterly or annually or at the time of termination depending on the terms of each managed account.

Blackthorn's (or its affiliate's) right to receive performance-based compensation may create an incentive for Blackthorn to cause a client to make investments that are riskier or more speculative than would be the case if Blackthorn (or its affiliate) did not receive such compensation.

Blackthorn may have financial or other incentives to favor one client over another. Under normal conditions, Blackthorn will allocate investment opportunities between each client on a fair and equitable basis, subject to applicable law and client guidelines. Blackthorn may make decisions for the Partnership and the Fund that may differ from time to time from those recommended by analysts of Blackthorn for its other advisory clients based on the differing strategies for such clients.

To the extent Blackthorn does not charge performance-based compensation to one or more clients such clients should be aware that Blackthorn has an incentive to favor other client accounts that are charged performance-based compensation as Blackthorn (or through its affiliate Blackthorn Capital, LLC) in such an instance would receive compensation based on the returns of such performance compensation paying clients.

Blackthorn also charge asset-based management fees as described in Item 5 above.

Item 7: Types of Clients

Description

Blackthorn provides investment advisory services to limited partnerships, limited liability companies, limited duration companies and other similar-type entities. In particular, Blackthorn provides investment advisory services to one Delaware limited partnership (the "Partnership"), one Bermuda company (the "Fund") and various institutional and entity (whether US or foreign based) clients through separately managed accounts. The Fund invests all or substantially all of its assets in the Partnership, whereby all investment advisory services for both entities are transacted.

Sophistication and Minimum Investment Requirements

Blackthorn requires US investors in the Partnership and the Fund to meet certain suitability requirements including being an accredited investor (as defined in Regulation D of the Securities Act of 1933, as amended (the "Securities Act")) and a qualified client (as defined in the Investment Advisers Act of 1940, as amended (the "Advisers Act")) and requires all investors to meet general sophistication requirements. All investors in the Partnership and the Fund are required to invest a minimum amount of US\$1,000,000, which amount may be waived in the sole discretion of Blackthorn, Blackthorn Capital, LLC (its affiliate) and/or the Board of Directors of the Fund (as the case may be).

With respect to individually managed account clients, all such clients must be qualified clients as well as meet certain sophistication requirements; minimum capital contributions are generally US\$25,000,000 but may be less in certain instances within Blackthorn's discretion.

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

Methods of Analysis

In selecting investments, Blackthorn utilizes fundamental and/or technical analysis. The main sources of information that Blackthorn uses in selecting investments include but are not limited to financial

newspapers and magazines, inspections of corporate activities, research material prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases.

Investment Strategies

Blackthorn's primary investment strategies include but are not limited to short term purchases (securities sold within a year), active trading (securities sold within 30 days), short sales, and margin transactions. In certain instances Blackthorn may hold securities for more than one year or write options, including covered options, uncovered options, or spreading strategies. Blackthorn's strategies involve frequent trading of securities. Frequent trading of securities can adversely affect investment performance through increased brokerage and other transactions costs and taxes.

Blackthorn's client portfolios may contain a variety of investment securities, including but not limited to, equity securities (exchange-listed, over-the-counter, and foreign issuers), warrants, corporate debt securities (other than commercial paper), municipal securities, mutual fund shares, United States government securities, option contracts on securities, and interests in partnerships investing in oil and gas interests. While various Blackthorn clients permit Blackthorn to invest in derivatives (including swaps, futures and forwards) and certain illiquid securities, Blackthorn does not, at this time, invest in such types of derivatives and/or illiquid securities. Blackthorn may also invest certain client assets in partnerships, limited liability companies and/or corporations, and Real Estate Investment Trusts (REITs). Blackthorn also invests the Fund's assets in the Partnership, of which Blackthorn serves as investment manager

Blackthorn generally seeks to identify and exploit valuation anomalies and inefficiencies across capital markets through investment strategies and hedging techniques designed to minimize the effects of the general market on the portfolio. Two primary market neutral strategies are utilized: relative value and event driven. Blackthorn generally engages in both strategies concurrently as the combination of these strategies offers an enhanced opportunity set, inherent diversification and mutually reinforcing capabilities.

Relative Value: Relative value investing seeks to identify and profit from pricing anomalies between securities or among groups of securities that have similar characteristics. This strategy is designed to isolate the pricing anomaly while managing market risk.

Relative value investing attempts to exploit what Blackthorn believes are investment bias or preferences among investors. Many investors approach the market with a long bias and therefore their decision process is driven in terms of buying securities that will appreciate on an absolute price basis, not in terms of capturing the relative performance of two securities. Investors can also be limited by regulatory, tax, liquidity or performance benchmarks that constrain the types of securities and positions in which they may invest, regardless of the related risk and return characteristics of similar securities or financial instruments.

Relative value investment strategies can be broadly divided into systematic and thematic approaches. A systematic relative value approach employs quantitative analysis to identify security attributes that exhibit pricing anomalies in certain market environments. A thematic relative value approach utilizes fundamental analysis to understand market expectations and industry competitive forces that will influence company performance. Blackthorn employs both quantitative and fundamental analysis to identify, understand and model key pricing relationships.

Event Driven: Event driven strategies focus on investing in securities of companies facing a significant or unusual corporate event. These events include items such as mergers and acquisitions, restructurings / spin-offs/ significant litigation, and index reconstruction/re-weighting.

This strategy is research and analysis intensive and requires continual review of announced and anticipated events. The goal is to identify securities with a favorable risk-reward ratio based on the probability that a particular event will occur. Blackthorn conducts extensive research and analysis to assess the probability of the event occurring, the range of prices of the security if the event occurs, the range of prices of the security if the event does not occur, and the timing of the event. In addition, Blackthorn must consider the effects of regulatory, political and economic events that may influence the outcome. From these assessments an expected value for the security is determined. If the expected value of the security is sufficiently different from the current value to generate a favorable risk/reward ratio, an investment position and hedge is developed in an effort to ensure that if events unfold as anticipated, the investment will generate the expected return.

Opportunities in this area are created by the reluctance of traditional investors to assume the risk associated with certain corporate events. In addition, the analysis required differs significantly from conventional securities analysis and many investors may be ill-equipped to analyze certain types of situations or respond to them in a timely manner.

Risks

Risk of Loss: The investment strategy is not an appropriate strategy for all investors. Prospective investors are cautioned of the risks involved in investing in this strategy. Among other risks, investors must be prepared to lose all or substantially all of their investment. Investing in securities involves risk of loss (including potentially the risk of a complete loss of investment with Blackthorn) that investors and clients should be prepared to bear.

Market Risks: A client could experience substantial losses as a result of a decline in the market value of securities or other assets in which the client holds a long position or an increase in the value of securities or other assets in which a client holds a short position.

Risks of Certain Investment Techniques: Blackthorn will use and has the right to use (although it may not exercise that right) certain investment techniques, such as borrowing funds for investment purposes, short-selling and transactions in futures, options and swaps, which entail significant risks. Borrowing for investment purposes, or leveraging, will tend to magnify the gains or losses from investment activities and the volatility of a client, since the value of a client's investments purchased with the proceeds of such borrowings may increase or decrease, whereas the a client's liabilities for such borrowings will remain fixed. Borrowing will also cause a client to incur interest and other expenses. Short sales, which involve a sale of a security which a client does not own, can result in profits when the prices of the securities sold short decline, and losses, which are theoretically unlimited, when such prices increase. Swaps, which involve the exchange of cashflows between a client and a third party, may, contingent upon the performance of the underlying reference securities, create off balance sheet liabilities and in the absence of collateral required by the third party, represent an infinite degree of leverage.

Risks of Short Sales: Short sales by a client that are not made "against the box" theoretically involve unlimited loss potential, as the market price of securities sold short may continuously increase, although Blackthorn may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, Blackthorn might have difficulty purchasing securities to meet a client's short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet a client's short sale obligations at a time when fundamental investment considerations would not favor such sales.

Margin Risk: Subject to applicable margin and other limitations, funds may be borrowed in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of the portfolio(s) would be amplified. The amount of borrowings outstanding at any time may be significant in relation to capital. Interest on borrowings will be a portfolio expense and will affect the operating results. Also, leverage could potentially be created via the use of instruments as options and other derivative instruments.

Risks of Certain Derivatives: Although Blackthorn does not currently invest in swaps, futures and/or forward contracts, Blackthorn reserves the right to do so in the future to the extent client mandates permit. Derivative instruments, or "derivatives," include futures, options, swaps, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a client to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts.

Risks of Restricted or Similar Securities: Although Blackthorn will generally acquire liquid investments for clients, certain securities and other investment positions held by a client may become illiquid. Blackthorn may hold a security that becomes "restricted" or non-publicly traded, and may invest in securities traded on foreign exchanges on behalf of clients to the extent such client mandates permit. The account of a client may not be readily able to dispose of such non-publicly traded securities, and in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. Positions may become illiquid because, for example, many exchanges limit price fluctuations in certain securities or contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Such occurrences could prevent Blackthorn from promptly liquidating unfavorable positions and subject a client to substantial losses. It also is possible that an exchange or regulatory authority may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Institutional Risks. The institutions, including brokerage firms and banks, with which Blackthorn (directly or indirectly) does business, or to which assets have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the client assets.

In view of the foregoing considerations, an investment with Blackthorn is suitable only for investors who are capable of bearing the relevant risks (including a total loss of investment) and conflicts of interest. To the extent that prospective investors/clients would benefit from an independent review, such benefit is not available through Blackthorn or any of their affiliates. Prospective investors/clients are encouraged to seek the advice of independent legal counsel in evaluating the risks of the offering. In addition, as the a client's investment program develops and changes over time, an investment with Blackthorn may be subject to additional and different risks.

Item 9: Disciplinary Information

There are no legal or disciplinary, criminal or civil actions, administrative proceedings or self-regulatory proceeds that have been initiated against Blackthorn or any of Blackthorn's management persons¹ currently or at least ten years prior to the date set forth hereof.

Item 10: Other Financial Industry Activities and Affiliations

Broker-dealer or Registered Representative

Neither Blackthorn nor any of Blackthorn's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor or Associated Person

Neither Blackthorn nor any of Blackthorn's management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of any of the foregoing.

Material Relationships or Arrangements with Financial Industry

Blackthorn Capital, LLC, a related person of Blackthorn, serves as the Partnership's general partner. This relationship creates an incentive for Blackthorn to make investments that are riskier or more speculative than would be the case if Blackthorn Capital, LLC (an affiliate of Blackthorn) did not receive incentive compensation from the Partnership for serving as the general partner to the Partnership.

Recommend or Select Other Investment Advisers

Blackthorn does not recommend or select other investment advisers for Blackthorn's clients.

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

Code of Ethics

Blackthorn has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act to prevent violations of federal securities laws. Blackthorn expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws.

All members and employees of Blackthorn and any other person who provides advice on behalf of Blackthorn and are subject to Blackthorn's control and supervision (collectively referred to as "Supervised Persons") are required to adhere to the Code of Ethics.

¹ Please check the glossary of Form ADV for a complete definition of who is a Blackthorn management person.

Standards of Business Conduct

Pursuant to Section 206 of the Advisers Act, it is unlawful for Blackthorn and its employees:

- to employ any device, scheme, or artifice to defraud a client or prospective client;
- to engage in any transaction, practice, or course of business which defrauds or deceives a client or prospective client;
- knowingly to sell any security to or purchase any security from a client when acting as principal for his or her own account, or knowingly to effect a purchase or sale of a security for a client's account when also acting as broker for the person on the other side of the transaction, without disclosing to the client in writing before the completion of the transaction the capacity in which the adviser is acting and obtaining the client's consent to the transaction; and to engage in fraudulent, deceptive or manipulative practices.

Supervised Persons must give prior notice of, and under certain circumstances receive approval for, any outside activity in which they wish to engage for compensation. This includes outside business interests and some securities transactions as described in more detail in the Code of Ethics.

As a general rule, Supervised Persons should not accept gifts, favors, entertainment, special accommodations, or other things of material value that could influence their decision-making and might reasonably be expected to interfere with the exercise of independent and objective judgment in carrying out such person's duties. However, gifts of strictly nominal value are allowed. This includes normal and customary business entertainment that is not so "lavish" or "extravagant" as to raise any question of propriety.

Prevention of Insider Trading

Blackthorn policies are designed to prevent insider trading that is more fully described in the Code of Ethics. Blackthorn's policy on insider trading applies to securities trading and information handling by all Supervised Persons (including spouses, minor children and adult members of their households and any other relative of a Supervised Person on whose behalf the Supervised Person is acting) for their own account or the account of any client of Blackthorn.

Blackthorn takes its obligation to detect and prevent insider trading with the utmost seriousness. It may impose penalties for breaches of the policies and procedures contained in the Code of Ethics, even in the absence of any indication of insider trading. Depending on the nature of the breach, penalties may include a letter of censure, profit "give ups", fines, referrals to regulatory and self-regulatory bodies and dismissal.

Personal Securities Transactions

Blackthorn, its related persons and employees ("access persons") may personally invest in "reportable securities" as defined in Section 202(a)(18) of the Advisers Act. Policies and procedures are in place to ensure the clients' interests are not disadvantaged by a trade made by an access person and that an access person does not benefit personally from trades undertaken for clients. Access persons must receive prior approval from the Chief Compliance Officer ("CCO") before making any personal trade in stocks, options, futures, certain exchange traded funds, unit investment trusts, or derivative instruments that derive their value from equity securities and each access person must submit periodic reports that show all trades and holdings of accounts in which the access person has a beneficial interest for review by the CCO.

Periodic Reports: As more fully described in the Code of Ethics, “access persons” are required to submit reports detailing their personal securities holdings to the CCO on an initial basis, an annual basis, and a quarterly basis.

Initial Public Offerings and Limited Public Offerings: Access Persons must obtain prior written approval from the CCO before investing in limited offerings (i.e., private placements). Access Persons are prohibited from investing in Initial Public Offerings.

In the event the CCO wishes to purchase the securities of a private placement for his or her own employee account, the CCO must obtain prior written approval from a member of Blackthorn.

Review of Personal Securities Reports: The CCO (or its designee) is responsible for reviewing the employees’ Quarterly Transaction Reports as well as the Initial Holdings Report and the Annual Holdings Report as part of Blackthorn’s duty to maintain and enforce its Code of Ethics.

In instances when the CCO has engaged in personal securities transactions, a member of Blackthorn shall review the CCO’s Quarterly Transaction Reports.

Outside Business Activities and Private Investments of Employees

Supervised Persons should not engage in outside business activities that may interfere with their duties to Blackthorn or create a potential conflict of interest. Provision of services for compensation or benefit by supervised persons will be limited to the clients of Blackthorn unless a member of Blackthorn grants prior approval. In addition, no person may make use of either his or her position as an employee or information acquired during employment, or make personal investments in a manner that may create a conflict, or the appearance of a conflict, between the employee’s personal interests and Blackthorn’s interests. Accordingly, every employee is required to complete a disclosure form and have the form approved by a member of Blackthorn prior to serving in any of the capacities or making any of the investments more fully described in the Code of Ethics.

Reporting Violations

All Supervised Persons (any member and employee of Blackthorn) are required to immediately report to the CCO if a violation of the Code of Ethics occurs or if the Supervised Person has reason to believe that a violation is about to occur.

Any report of a violation or suspected violation of the Code of Ethics will be treated as confidential to the extent permitted by law. Any report of a violation or suspected violation may be submitted anonymously.

As part of the Blackthorn’s obligation to conduct an annual review of all of its policies and procedures pursuant to Rule 206(4)-7 of the Advisers Act, the CCO shall review on an annual basis the adequacy of the Code of Ethics and the effectiveness of its implementation.

Recordkeeping

Blackthorn maintains the following:

- Copies of the Code of Ethics;
- Records of violations of the Code of Ethics and actions taken as a result of the violations;
- Copies of the supervised persons’ written acknowledgement of receipt of the Code of Ethics.
- Records of the Access Persons’ personal trading – Initial Holdings Reports, Annual Holdings Reports, and Quarterly Transaction Reports;

A record of the names of the “Access Persons”;
Records of decisions, and the reasons supporting the decision to approve an Access Person's acquisition of securities in limited offerings; and
Records of decisions, and the reasons supporting the decision to approve the CCO's acquisition of securities in limited offerings.

Acknowledgement of the Code of Ethics

Each employee will execute a written statement certifying that the employee has (i) received a copy of the Code of Ethics; (ii) read and understands the importance of strict adherence to such policies and procedures; and (iii) agreed to comply with the Code of Ethics.

Training and Education

In general, Blackthorn's training program covers policies and procedures of the Code of Ethics, insider trading, personal trading reporting requirements, and how to report violations or suspected violations through annual affirmation.

A copy of Blackthorn's Code of Ethics is available upon request.

Participation or Interest in Client Transactions and Personal Trading

Blackthorn and its related persons may personally invest in “reportable securities” as defined in Rule 204A-1(e)(10) of the Advisers Act. In particular, a related person may from time to time have an interest, direct or indirect, in a security, the purchase or sale of which is recommended, or which in fact is purchased or sold by or otherwise traded for a client. Accordingly, Blackthorn may sell or recommend the sale of a particular security for certain accounts, including accounts in which they have an interest, and they or others may buy or recommend the purchase of such security for other accounts, including accounts in which they have an interest. To the extent a related person invests in a security that is held by or recommended to a client, a conflict of interest arises as the reason for making such recommendation to a client could be to benefit the related person (i.e. by increasing the value of the security) rather than it being in the best interest of the client. Policies and procedures are in place to ensure that clients' interests are not disadvantaged by a trade made by a related person and that a related person does not benefit personally from trades undertaken for clients. In particular, Blackthorn and its related persons must receive prior approval from the CCO before making any personal trade in any stocks, options, futures, exchange traded funds, unit investment trusts, or derivative instruments that derive their value from equity securities generally and each related person must submit periodic reports that show all trades and holdings of accounts in which the related person has a beneficial interest. These reports are periodically reviewed by the CCO.

Blackthorn invests all or substantially all of the Fund's assets into the Partnership which serves as the trading vehicle. In this instance Blackthorn (and its affiliate Blackthorn Capital, LLC) charges compensation at the Fund level or the Partnership level, but not at both levels.

Item 12: Brokerage Practices

Selecting Brokerage Firms and Research and Soft Dollars

Blackthorn has discretion to determine without any clients' consent the securities bought and sold, the amount of securities bought and sold, the broker or dealer used and the commission rates to be paid. In selecting a broker for any transaction or series of transactions, Blackthorn may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, offering to Blackthorn on-line access to computerized data regarding clients' accounts, the availability of stocks to borrow for short trades and other matters involved in the receipt of brokerage services generally.

Blackthorn may also purchase from a broker or allow a broker to pay for certain research services, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, general reports, periodical subscription fees, consultations, performance measurement data, on-line pricing and newswire charges (a "soft dollar" relationship). Blackthorn may pay a brokerage commission in excess of that which another broker/dealer might charge for effecting the same transaction in recognition of the value of brokerage, research and other services and soft dollar relationships provided by such broker/dealer, viewed in terms of either the specific transaction or Blackthorn's overall responsibilities to the portfolios over which Blackthorn exercises investment authority. Notwithstanding the foregoing, Blackthorn does not engage in any soft dollar transactions outside of Section 28(e) of the Securities Act of 1934, as amended; soft dollar items within the safe harbor include but are not limited to research advice, analyses and reports and products and services that relate to the execution of a trade (e.g., connectivity services and trading software). Note that when Blackthorn uses client brokerage commissions to obtain research or other products or services, Blackthorn receives a benefit because it does not have to produce or pay for the research, product or services (as the case may be). Blackthorn may have an incentive to select or recommend a broker-dealer based on Blackthorn's interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution.

Blackthorn uses soft dollar benefits to service all client accounts and all clients pay for the benefits. Soft dollar benefits are allocated to client accounts proportionately to the soft dollar credits the accounts generate. Soft dollar benefits include, but are not limited to market data, market research and analytical tools. These services and products permit Blackthorn to supplement its own research and analysis.

Blackthorn directs client transactions to a particular broker –dealer in return for soft dollar benefits. Based on research requirements and eligible expenses, a soft dollar commission is determined and added to the base commission. Client transactions are generally directed to the broker-dealer providing research services unless Blackthorn determines that another broker-dealer will provide best execution.

Blackthorn conducts periodic soft-dollar review, analyzing price and commission offered by various brokers used and volume of client commissions directed to each broker. In addition, we perform a qualitative rating of primary brokers used by interviewing and/or polling our analysis and trader.

Brokerage for Client Referrals

In addition to the factors described above, Blackthorn may consider a broker's referrals of investors to the Partnership, the Fund or the potential for future referrals. As with client commission payments for

brokerage and research services and/or products, in some cases the transaction compensation paid might be higher than that obtainable from another broker-dealer who did not provide (or undertake to provide) referrals, although Blackthorn will seek to avoid such a result and will seek "best execution." Awarding transaction business to brokers in recognition of past or future referrals may involve an incentive for Blackthorn to cause the Partnership and the Fund to effect more transactions than it might otherwise do in order to stimulate more referrals and not on Blackthorn's clients' interest in receiving most favorable execution. Blackthorn did not direct client transactions to a particular broker-dealer in return for client referrals during its last fiscal year.

Directed Brokerage

Blackthorn does not recommend, request, require or permit client direction to execute transaction through a specified broker-dealer.

Order Aggregation

In certain circumstances, an investment opportunity may be suitable for more than one client advised by Blackthorn (i.e., based on investment objectives, portfolio balance and weighting, whether Blackthorn believes the allocation would have a meaningful effect on a given fund and/or managed account). Blackthorn may determine that a given client may not receive an allocation of a purchase and/or sale opportunity even if such opportunity is suitable for such client for a variety of reasons, including, without limitation, the determination that the amount of an opportunity that would otherwise be allocated to such client would not result in a meaningful impact on the performance of such client, to comply with stated investment guidelines or security trading restrictions and/or as a result of tax planning or restrictions.

Blackthorn believes that aggregation of transactions should, on average, reduce the costs of execution and enable Blackthorn to obtain more competitive order completion to the clients' benefit, and accordingly, Blackthorn has adopted guidelines and policies in connection with the aggregation of orders on behalf of its clients' accounts. Pursuant to such guidelines and policies:

- (1) Blackthorn may aggregate transactions if it believes such aggregation is consistent with its duty to seek best execution (which shall include best price) for its clients and is consistent with the terms of Blackthorn's investment advisory agreements;
- (2) Blackthorn may aggregate a client's order if, in a particular instance, it believes that aggregations would cause the client's costs of execution to be decreased;
- (3) No account will be favored over any other account and each account that participates in the aggregated orders will participate at the average price acquired for all transactions of Blackthorn on a given business day;
- (4) Blackthorn will prepare, before entering an aggregated order, a written statement (the "Allocation Statement") as to how the order will be allocated among participating accounts;
- (5) If the aggregated order is filled in its entirety, it shall be allocated in accordance with the Allocation Statement; if the order is partially filled, it shall be allocated pro rata based on the Allocation Statement;
- (6) Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if the participating accounts whose orders are allocated receive fair and equitable treatment and the reason for such different allocation is explained in writing and is post-

approved by Blackthorn's Chief Operating Officer no later than three business days after the end of the month in which the order was executed;

(7) If an aggregated order is partially filled and allocated on a basis different from that specified in the Allocation Statement, no account that is benefited by such different allocation may effect any purchase or sale, for a reasonable period following the execution of the aggregated order, that would result in it receiving or selling more securities than the amount of securities it would have received or sold had the aggregated order been completely filled;

(8) Blackthorn's books and records will separately reflect, for the accounts whose orders are aggregated, the securities held by and bought and sold for each account;

(9) Funds of the participating accounts whose orders are aggregated will be deposited with one or more banks or broker/dealers, and any cash attributable to the accounts will not be held collectively for the respective owners any longer than is commercially necessary to settle the purchase or sale in question on a delivery versus payment basis;

(10) Blackthorn will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation procedure; and

(11) Individual investment advice and treatment will be accorded to each account.

Item 13: Review of Accounts

Periodic Reviews

Compliance reports are run and reviewed daily for managed accounts with specific investment guidelines. In addition, accounts are reviewed daily with attention given to asset/liability management and the risk/reward prospects of the portfolio and individual issues. Further attention is given to actual changes and the market's perception of changes in both fundamental and technical factors affecting valuation. In their capacity as portfolio managers, both Todd Banks and Montgomery McClain conduct these reviews periodically on a discretionary basis.

Regular Reports

On a monthly basis, investors in the Partnership and the Fund receive an unaudited statement of their account value which is generally accompanied by a letter discussing the performance of their account, the primary attributes of performance and Blackthorn's outlook.

On an annual basis, investors in the Partnership and the Fund will receive audited financial statements within 120 days of the investment fund's fiscal year end.

Reporting requirements for managed accounts are negotiated and vary per client.

Item 14: Client Referrals and Other Compensation

Blackthorn and Blackthorn's affiliates do not currently have any arrangements, oral or in writing, where it directly or indirectly compensates any person for client referrals.

Item 15: Custody

Blackthorn has custody of its Fund client's funds and securities by virtue of the fact that two related persons of Blackthorn serve as directors of the Fund. Blackthorn is indirectly deemed to have custody over the assets of the Partnership as Blackthorn Capital, LLC, an affiliate of Blackthorn, serves as the general partner of the Partnership. Investors in the Partnership and the Fund receive audited financial statements prepared in accordance with US generally accepted accounting principles within 120 days of the Partnership's and the Fund's fiscal year end.

Item 16: Investment Discretion

Blackthorn has discretion to determine without any clients' consent the securities to be bought and sold, the amount of securities to be bought and sold, the broker or dealer to be used and the commission rates to be paid. Blackthorn requires investors' investing in the Partnership or the Fund to execute a subscription agreement and, with respect to investors investing in the Partnership, a limited partnership agreement providing Blackthorn with authority to trade on a discretionary basis. Blackthorn requires managed account clients to execute managed account agreements granting Blackthorn authority to trade on a discretionary basis.

In certain circumstances, an investment opportunity may be suitable for more than one client (i.e., based on investment objectives, portfolio balance and weighting, whether Blackthorn believes the allocation would have a meaningful effect on a given client). Blackthorn may determine that a given client may not receive an allocation of a purchase and/or sale opportunity even if such opportunity is suitable for such client for a variety of reasons, including, without limitation, the determination that the amount of an opportunity that would otherwise be allocated to such client would not result in a meaningful impact on the performance of such client, to comply with stated investment guidelines or security trading restrictions and/or as a result of tax planning or restrictions.

Item 17: Voting Client Securities

Blackthorn has been given discretionary authority for investment decisions by its clients, and thus has authority to vote proxies on behalf of its clients unless an investment advisory agreement stipulates otherwise. If Blackthorn has discretionary authority, clients do not direct voting in any particular proxy solicitation.

Blackthorn will vote proxies, where given authority, in the best interests of its clients in terms of maximizing clients' rate of return on investment. In certain cases, this may involve refraining from voting when the cost of voting exceeds the expected benefit. Generally, Blackthorn will only vote proxies for portfolio holdings that are either (a) current as of the date voting takes place and deemed in the sole discretion of Blackthorn as non-routine or (b) current as of the date voting takes place and deemed in the sole discretion of Blackthorn as material in the context of the client's total portfolio.

Potential material conflicts of interests may arise with any particular proxy solicitation. Such conflicts may include, but are not limited to, the following: the individual designated to vote proxies owns an interest in

the company in which Blackthorn will vote on a proxy; the individual designated to vote proxies will receive any unusual compensation or profit based on how Blackthorn votes on a proxy; the individual designated to vote proxies serves as a director in the company in which Blackthorn will vote on a proxy; the individual designated to vote proxies has an immediate family member (spouse, child, parent, sibling, or in-law) that is a director in the company in which Blackthorn will vote on a proxy; the individual designated to vote proxies has a personal relationship with an executive or director in the company in which Blackthorn will vote on a proxy; and the individual designated to vote proxies has a personal relationship with a candidate to be a director in the company in which Blackthorn will vote on a proxy.

In the event of such a conflict of interest, the Proxy Voting Committee and the CCO jointly may determine that the individual designated to vote proxies has such a conflict of interest and is to be recused from voting the proxy at issue. In such cases, the remaining members of the Proxy Voting Committee will vote the proxy.

To comply with SEC rule 206(4)-6 and amended Rule 204-2, Blackthorn maintains a copy of its Proxy Voting Policy and Procedures; maintain records of proxy statements received pertaining to client securities, records of votes cast; any documents prepared by Blackthorn that were material to making a decision how to vote or that memorialized the basis for the decision; and records of each client request for proxy voting records as well as Blackthorn's response to such requests.

Blackthorn's Proxy Voting Policies and Procedures and information on how Blackthorn has voted proxies are available on the Blackthorn website or upon request from the CCO.

Item 18: Financial Information

Blackthorn does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Miscellaneous

Privacy Policy

Blackthorn recognizes the importance of protecting privacy. As such, Blackthorn has policies in place to maintain the confidentiality and security of the Partnership's natural person limited partners' and our Fund's natural person shareholders' (such natural persons collectively referred to as the "Investors") information.

In the normal course of business, Blackthorn may collect the following types of information:

- Information provided in the subscription documents and other forms (including name, address, social security number, date of birth, income and other financial-related information)
- Data about transactions with us (such as the types of investments made and account status)

Any and all nonpublic personal information received by the Partnership, the Fund, Blackthorn Capital, LLC (the Partnership's "General Partner") and/or Blackthorn in the course of business with respect to the investors (which, for purposes of this privacy policy includes all natural person clients of Blackthorn), including the information provided to the Partnership or the Fund by an Investor in the subscription documents, shall not be shared with nonaffiliated third parties which are not service providers to the Partnership, the Fund the General Partner and/or Blackthorn without prior notice to such Investors. Such service providers include but are not limited to the administrator, the auditors and the legal advisors of the Partnership or the Fund. Additionally, the Partnership, the Fund the General Partner and/or Blackthorn may disclose such nonpublic personal information as required by law (such as to respond to a subpoena or a request for information by a regulator and/or to prevent fraud). Without limiting the foregoing, the Partnership, the Fund, the General Partner and/or Blackthorn may disclose such nonpublic personal information as required by law, including without limitation, the disclosure that may be required by the Uniting and Strengthening America Act by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 and the rules and regulations promulgated thereunder. If the Partnership or the Fund or Blackthorn chooses to dispose of any Investor's nonpublic personal information that each is not legally bound to maintain, then each will do so in a manner that reasonably protects such information from unauthorized access. Such policy shall also apply to the former Investors.

Blackthorn restricts access to nonpublic personal information about our customers to those employees and agents who need to know that information in order to provide products and services to you. Blackthorn maintains physical, electronic and procedural safeguards to protect applicable nonpublic personal information.

For questions about this privacy policy, please contact Blackthorn.

Disaster Recovery and Business Continuity Contingency Plan

Blackthorn's Disaster Recovery and Business Continuity Contingency Plan is available on our website or by request.