

**FORM ADV – PART 2A**

**FIRM BROCHURE**

**BENNETT LAWRENCE MANAGEMENT, LLC**

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**This brochure provides information about the qualifications and business practices of Bennett Lawrence Management, LLC. If you have any questions about the contents of this brochure, please contact Jane H. Fisher, Chief Operating Officer, at 212-508-6408 or by email at [jfisher@bennettlawrence.com](mailto:jfisher@bennettlawrence.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

Additional information about Bennett Lawrence Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

There have been no material changes since BLM's last update of its Brochure, which was dated March 30, 2011.

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## ADVISORY BUSINESS

Bennett Lawrence Management, LLC (“BLM”) provides discretionary investment advisory services, including, but not limited to, managing and directing the investment and reinvestment of assets for (i) individuals, (ii) institutional clients including trusts, corporations, and pension/profit sharing plans, (iii) a private investment limited partnership offered solely to “qualified purchasers” (as defined under federal securities laws) for which it acts as advisor and management company (“BLP”), (iv) an offshore fund offered solely to foreign and U.S. tax-exempt investors for which it acts as investment advisor (“BLOL”) and (v) two specialty private investment limited partnerships offered solely to U.S. and foreign persons who are “accredited investors” and “qualified clients” (as defined under federal securities laws) for which it acts as advisor and management company (“BLEG” and “BLSF”). An affiliate of BLM, Schreiber Associates, LLC (“SA”), is the general partner of BLP, BLEG and BLSF.

For the majority of BLM’s clients, BLM employs a concentrated growth approach to investment management. This combines a top-down thematic overlay with bottom-up fundamental research. The end result of BLM’s work is a portfolio that is believed to be focused exclusively in the fastest growing areas of the economy and comprised of companies that are benefiting from positive news flow, positive earnings surprises and share prices that are outperforming the overall market.

From a top-down perspective, BLM’s objective is to identify at an early stage, major demand trends that are creating powerful investment opportunities. Once the trends have been identified, investment themes are created as a means for organizing research efforts. BLM studies the industries that fit within its themes to assess the competitive landscape and then begins to analyze specific companies.

From a bottom-up perspective, BLM conducts extensive fundamental analysis of the businesses that appear to have a competitively advantaged position within the industries identified as fast growing. At this stage, it is critical for BLM to understand the nature of competition and develop a model for the type of company that will succeed in the given industry. The majority of the companies should have current earnings growth rates that are higher than the overall market.

With respect to BLP, BLEG, BLSF and BLLO (collectively, the “Funds”), BLM neither tailors its advisory services to the individual needs of Fund investors, nor accepts client-imposed investment restrictions. With respect to individually managed accounts of individuals and institutional clients, BLM may agree to comply with certain investment restrictions relating to diversification and types of investments as may be requested by certain clients from time to time.

SA may enter into side letter agreements with certain large and strategic Fund investors that provide such investors with different terms with respect to liquidity, access to information, and/or other rights that are in addition to those rights held generally by all investors in a particular Fund. In the future, SA may enter into additional side letters with certain investors.

BLM also provides portfolio management services to accounts that participate in wrap fee programs but BLM does not sponsor any wrap fee programs. BLM manages these accounts in

the same fashion as other accounts unless there are specific client and/or sponsor restrictions imposed that limit BLM's investment discretion. For its services, BLM receives a portion of the wrap fee charged to the account by the sponsor in lieu of any fee invoiced directly to the account by BLM.

BLM commenced operations on August 25, 1995 and as of December 31, 2011 managed \$502,873,227 of client assets, all on a discretionary basis. Mr. Suydam Van Zandt ("Van") Schreiber is BLM's principal owner.

## **FEES AND COMPENSATION**

In the case of individual and institutional clients, BLM is compensated on the basis of a quarterly or other periodic fee that is computed as a percentage of the value of the assets under management during such calendar quarter or other specified period. BLM's basic fee schedule for accounts that receive reporting services from BLM, custody through Pershing LLC, a registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA"), and brokerage services through Pershing Advisor Solutions LLC, a registered broker-dealer and member of FINRA, is as follows:

<u>Annual Fee Rate</u>	
First 2,000,000	1.50%
\$2,000,001 to \$10,000,000	1.25%
\$10,000,001 and over	1.00%

BLM's basic advisory fee schedule for other accounts, including accounts under wrap fee programs, is as follows:

<u>Annual Fee Rate</u>	
First \$5,000,000	1.00%
\$5,000,001 and over	0.75%

BLM's advisory fee schedule for accounts under the small cap investment strategy is as follows:

<u>Annual Fee Rate</u>	
First \$10,000,000	1.00%
\$10,000,001 and over	0.75%

In certain cases, fees are payable to BLM in accordance with the agreement between the client and the client's custodian. A copy of such agreement is provided to BLM. Other fees may be established in certain cases.

In the case of BLP and BLEG, BLM charges a fixed fee at the rate of 1% of net assets per year, payable quarterly based on the capital account balances of the limited partner investors on the first day of each calendar quarter. In the case of BLSF, BLM charges a fixed fee at a rate of 1.50% of net assets per year, payable quarterly based on the capital account balances of the

limited partners in BLSF on the first day of each calendar quarter. In the case of BLOL, BLM charges (i) a fixed fee equal to 1.35% of net assets per year payable on a monthly basis, in advance, based on the most recent net asset value of BLOL, and (ii) an annual incentive fee equal to 20% of the net new high profits of BLOL. In the case of BLP, BLEG and BLSF (the “Partnerships”), SA is entitled to an annual special allocation equal to 20% of the net new high profits in each limited partner’s capital account (the “special allocation”). The Funds offer interests/shares only to certain qualified investors and admission to the Funds is not open to the general public. Please refer to the offering documents for each individual Fund for a detailed description of the fee schedule.

In limited cases, clients other than BLOL may pay BLM (in addition to the fee described above) a fee based upon the capital appreciation in their accounts, either the absolute appreciation or the appreciation relative to the performance of certain indices of securities (“performance fees”). Performance fees and the special allocations (collectively, “incentive amounts”) are structured to be in compliance with Securities and Exchange Commission (“SEC”) Rule 205-3 to the extent applicable, and any applicable state laws. Except in connection with the Funds, BLM’s fees are subject to negotiations between BLM and its clients.

Advisory fees (other than incentive amounts) are calculated by BLM on the first business day of each calendar quarter in the case of the Partnerships, as of the first business day of each month in the case of BLOL, and on either the first or last business day of each calendar quarter or month in the case of other managed accounts. Where a management agreement is in place for less than the period for which fees have been paid in advance and, pursuant to the applicable agreement, BLM will refund the pro-rata portion of the fee attributable to the portion of the applicable period remaining following termination.

In most cases, assets in excess of \$50,000 received by or withdrawn from a client’s managed account during any calendar quarter are charged a prorated fee based on the number of days in such quarter that such assets are held in the account. If during the quarter the net total of several contributions and/or withdrawals exceeds \$50,000, the net total during each month in the quarter is prorated on the 15th day of the month. Single cash flows during the quarter in excess of \$50,000 are prorated on the day each cash flow occurs. Based on the client’s contract, advisory fees are invoiced directly to the client, client’s designee or custodian in the amount of the agreed upon fee and may or may not be deducted directly from clients’ accounts by the custodian. The fixed fees payable by the Partnerships are deducted directly from their brokerage accounts by SA and paid to BLM. In certain cases, advisory fees are payable in accordance with an agreement between the client and the client’s custodian which are invoiced by the custodian quarterly on a pay-in-advance basis. For all managed accounts, a statement detailing the charges debited by the custodian from any account is forwarded to the client at least quarterly.

Incentive amounts are calculated as of the close of business on the last business day of the applicable period and are generally payable no later than the last business day of the month following their calculation.

In general, expenses charged to the Funds (and indirectly to Fund investors) include ongoing legal, partnership accounting and audit expenses incurred by the Funds, the costs of offering

Fund shares/interests, investment commissions, research fees, interest on borrowings, custodial fees and other reasonable investment-related expenses. Please refer to the offering documents for each individual Fund for a detailed description of related expenses.

In connection with cash positions held in money market mutual funds, clients may be subject to fees charged by such funds and their managers. Clients may also incur additional custodial and/or transaction costs based on their individual custodial arrangement.

Where BLM is granted authority to exercise brokerage discretion, clients will incur brokerage commissions on trades placed by BLM. All other accounts' brokerage fees will be dependent on the clients' arrangements with their custodians/brokers/wrap fee sponsors. Clients may also incur transaction costs charged by the clients' custodians for trades placed by BLM depending on the clients' arrangements with their brokers/custodians/wrap fee sponsors. Please reference the section on Brokerage Practices for further details.

Neither BLM nor any of its supervised persons accepts compensation (other than from BLM) for the sale of securities or other investment products.

**It is essential that Fund investors and managed account clients refer to the relevant private offering memorandum, investment management agreement, and/or other documents governing their relationship with BLM and/or SA for a complete understanding of how BLM is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.**

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As noted in the Fees and Compensation section, some managed account clients may be charged a performance fee based upon the capital appreciation in their accounts, either the absolute appreciation or the appreciation relative to the performance of certain indices of securities. SA is entitled to a special allocation from the Partnerships equal to 20% of the net new high profits in each limited partner's capital account. These incentive amounts are structured in compliance with SEC Rule 205-3, to the extent applicable, and any applicable state laws.

Incentive amounts are calculated by SA, BLM or the client as of the close of business on the last business day of the measurement period based on the terms of a written contract and are generally payable no later than the last business day of the month following their calculation.

Incentive amounts may create an incentive for BLM and its supervised persons who manage these accounts to make investments that are riskier or more speculative than would otherwise be the case. This could also create an incentive to make allocations in favor of these accounts, since such allocation is calculated on a basis which includes unrealized appreciation of the client's assets which may be greater than if such allocation was based solely on realized gains.

The mere fact that BLM has multiple advisory clients creates conflicts as to time and resource commitments on the part of BLM's principals and other personnel. While they intend to devote

such time to the business of the advisory clients as they deem necessary, they will have other ongoing investment and business responsibilities which could have the effect of reducing the time they will devote to the investment activities of BLM's advisory clients.

For the Funds and for certain managed accounts, SA or BLM is responsible for determining the value of investments which are not publicly traded or readily marketable held by those clients. Valuation of securities affects both performance and the calculation of incentive amounts earned by SA and BLM. As such, BLM may have an incentive to overvalue securities in clients' accounts. However, substantially all clients' portfolios consist of publicly traded investment assets for which current prices are readily available, which mitigates the risk of overvaluation.

With respect to these and other possible conflicts of interest, BLM and its supervised persons intend to perform their duties at all times in a manner which they consider to be in the best interests of its clients and allocate all investment opportunities in a fair and reasonable manner among all accounts managed by BLM. See "Brokerage Practices" below for additional information.

## **TYPES OF CLIENTS**

BLM provides discretionary investment advisory services, including, but not limited to, managing and directing the investment and reinvestment of assets for (i) individuals, (ii) institutional clients including, but not limited to, trusts, corporations, and pension/profit sharing plans, (iii) the Funds.

BLP is a private investment limited partnership offered solely to "qualified purchasers" (as defined under federal securities laws). BLOL is an offshore fund offered solely to foreign and U.S. tax-exempt investors that are both "accredited investors" and "qualified clients" (as defined under federal securities laws). BLEG and BLSF are two specialty private investment limited partnerships offered solely to U.S. investors who are accredited investors and qualified clients and to foreign persons.

BLM currently imposes a minimum initial asset value requirement of \$1,000,000 on managed accounts. In the case of BLP and BLEG, the minimum initial investment is \$1,000,000. BLOL and BLSF impose a \$500,000 minimum. In all cases, the minimum initial investment may be waived under certain circumstances.

BLM's advisory contracts generally provide that they may be terminated by either party upon receipt of written notice by the other party. Also, if due to client withdrawals the account valuation falls below 25% of the stated account minimum in the advisory contract, BLM reserves the right to terminate the advisory contract.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

BLM's analysts are responsible for conducting thorough examinations of the companies that are being considered for investment (long or short) and continuing such research for existing holdings. As noted above, BLM employs a bottom-up fundamental method of securities analysis and may use a variety of resources or services to form an investment idea or strategy, including, for example, financial publications, company press releases and corporate filings with the SEC. In addition to the sources of information described, the analysts typically meet with the management of a company that is being considered as an investment (or may already be owned) to make judgments as to management's ability to grow the business. The analysts also typically meet with nonbiased sources (customers, suppliers, competitors, etc.) to try to discern whether or not the guidance from the company in question is realistic.

BLM's investment approach is designed to produce significant capital appreciation over the long term (at least a 3-5 year period). BLM pursues this approach by investing client assets primarily in equity and equity-related securities of companies publicly traded on U.S. exchanges. BLM attempts to invest primarily in companies with exceptional earnings growth prospects and excellent return potential. Each of these companies must also be on the receiving end of a powerful economic trend or theme. Once a theme has been identified and a company has been selected, it is the intention to hold the position over a period of time which should allow for earnings growth, share appreciation, and long-term capital gains.

For BLEG, this investment approach more specifically involves taking advantage of investment opportunities in the small capitalization segment of the U.S. equity market. Not less than seventy-five percent (75%) of the portfolio will consist of equity and equity-related securities of companies publicly traded on U.S. exchanges that have market capitalizations of \$2.5 billion or less at the time of purchase.

For BLSF, this investment approach more specifically involves taking advantage of investment opportunities in the U.S. equity market to provide superior risk adjusted returns that are not directly correlated with U.S. equity averages. It is designed to get exposure to the strongest growth trends in the economy while limiting the market risk and volatility typically associated with those trends.

For certain clients, and subject to applicable margin requirements, when a negative trend or theme is identified, short sales may be made in the individual securities of companies that are in deteriorating industries, have poor future prospects, and/or exchange traded funds. Short holdings are used to attempt to enhance returns in both strong and weak markets. Short exposure varies according to market conditions. A short sale involves the risk of a theoretically unlimited loss if the market price of the security sold short rises.

BLM may also invest client assets in long or short positions in REITS (real estate investment trusts) and, for certain clients, ETFs (exchange traded funds) which represent undivided ownership interests in a portfolio of stocks typically held in a unit investment trust or open ended fund such as the iShares Russell 2000 Fund or the Standard & Poors Depositary Receipts and ETNs (exchange traded notes).



As with any equity investment strategy, there are no assurances that these investment strategies will not produce losses. All investments in securities involve the risk of a loss of capital that Fund investors and managed account clients should be prepared to bear. The nature of the securities purchased and traded by BLM and the investment techniques and strategies employed in an effort to increase profits may increase this risk, and there can be no assurance that portfolios will not incur losses.

There are several risks associated with BLM's investment strategy. BLM implements a concentrated investment approach that commits capital to a select number of areas within the economy. By not having exposure to all sectors or industries within the economy, portfolio performance is more volatile and less diversified than broad market indexes. Individual portfolios generally own between 35-45 companies. This concentration can create volatility which may be perceived as risk if observed over too short a period of time. In addition, the companies in which BLM invests clients' assets generally have higher than average earnings visibility and price to earnings ratios, which increase their volatility.

BLM may also employ options strategies (the purchase of options to buy and sell securities and the writing of such options), although this is not a focus of its strategy. Because an option represents the right but not the obligation to buy or sell the underlying property for a specified time and at a particular price, the purchaser of an option is at risk only for the amount of the premium paid for such option. In addition to purchasing options, the Funds and certain other clients may also write options on a "covered" or "uncovered" basis. If an option is written on a covered basis, the writer is subject to the market risk of the underlying property less the premium received by the writer for the option. If the option is written on an uncovered basis, the writer is theoretically exposed to unlimited liability because, if such option is exercised, the writer will have the obligation to obtain and deliver the property called for by the option, and the writer may not be in a position to do so or may be in a position to do so only at extreme cost. Accordingly, the writing of an option runs the risk of causing significant losses in a relatively short period of time.

For certain clients, and subject to applicable margin requirements, BLM may purchase securities on margin (i.e., borrow on behalf of clients). While this use of leverage presents opportunities for increasing the total portfolio return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the net assets will decrease. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the investments could result in a substantial loss which would be greater than if there was no leverage.

Aside from risks associated with BLM's investment strategy, there are also risks associated with any investments in securities. These risks include, but are not limited to, unforeseeable events by government agencies such as the Federal Reserve Board and domestic and international political and economic events that may cause sharp market fluctuations. Trading risks include temporary liquidity problems that may occur due to a small "float", or low average trading volume resulting

in potential lack of liquidity and price volatility. There could also be legal or other restrictions on the transfer of securities or other possible factors which could prevent BLM from liquidating or covering a client's positions and could subject the client to losses.

BLM may also invest in the securities of companies in foreign countries, although this is not a focus of its strategy. This involves certain considerations not usually associated with investing in securities of U.S. companies including, among other things, the small relative size of the securities markets in some countries and fluctuations in the rate of exchange between currencies and costs associated with currency conversion. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to U.S. standards and, consequently, less or different information may be available on companies located in foreign countries than is available on companies located in the U.S. There is also less regulation of the securities markets in many foreign countries than there is in the U.S.

Performance dispersion is also a factor that investors must acknowledge. This occurs because all portfolios are individually managed, which may cause differences in returns when compared to BLM's stated performance composite numbers.

Additional information concerning the investment strategies employed by the Funds and the risk factors faced by Fund investors may be found in each Fund's confidential private offering memorandum.

Past performance is not a guarantee of future results.

## **DISCIPLINARY INFORMATION**

Neither BLM nor any of its management personnel has ever been subject to any criminal or civil action, any proceeding before a regulatory agency or self-regulatory organization or any other legal or disciplinary event.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Van Schreiber is the principal executive officer and majority equity owner of BLM. He is also SA's Managing Member. In addition, Mr. Schreiber is a director of BLOL. Brendan J. Contant, Jane H. Fisher and W. Alexander L. Ely are also officers and equity owners of BLM and SA. BLM serves as the investment manager to the Funds. SA, an affiliate of BLM, is the general partner of each of the Partnerships. As described below in Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, SA, BLM and certain of its related persons and entities participate, directly or indirectly, in the investments of the Funds.

There is no limitation with respect to SA's and BLM's other activities and investments or with regard to the activities of other investment portfolios managed by BLM. In addition, related persons of BLM may buy, sell or otherwise invest in securities that BLM also recommends to its clients. Each such related person transaction is separately identified and made strictly in

accordance with BLM's Code of Ethics described below, as well as the terms of the offering described in any applicable investment product's offering materials.

The existence of multiple Funds and clients may create conflicts as to time and resource commitments on the part of BLM's principals and other personnel. However, BLM Personnel are expected to represent the interests of BLM and its clients in an ethical manner and to exercise due skill, care, prudence, and diligence in all business dealings. BLM is a fiduciary with respect to its clients. As such, all personnel are required to place the interests of BLM clients before their own at all times, not to take inappropriate advantage of their positions, and to conduct themselves in a manner that will avoid any actual or potential conflict of interest or any abuse of a position of trust and responsibility. Thus, favoritism of one client, including the Funds, over another client is strictly prohibited.

### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

BLM, related persons and related entities are able to and currently do buy, sell or otherwise invest in securities that BLM, related persons or related entities also recommend to clients, including the Funds. Each such related person transaction is separately identified and made strictly in accordance with the Code of Ethics adopted by BLM and the terms of the offering described in the applicable investment product's offering materials. SA, BLM and certain of its related persons and entities also participate in the investments of the Partnerships in accordance with their proportionate shares of the total capital of each of those Partnerships. Any deferred fees that BLOL or another offshore investment vehicle owes to BLM for investment advice are, by contract, required to appreciate/depreciate to the same extent as an investment in the same amount in BLOL or such other vehicle.

BLM's Code of Ethics is intended to serve as a means to subject all business dealings and securities transactions undertaken by BLM personnel, whether for clients or for personal purposes, to the highest ethical standards. BLM expects its personnel to premise their conduct on fundamental principles of openness, integrity, honesty and trust.

Personnel are expected to represent the interests of BLM and its clients in an ethical manner and to exercise due skill, care, prudence, and diligence in all business dealings. Employees are not permitted, in connection with the purchase or sale of a security held or to be acquired by a client, to engage in any act, practice or course of conduct that operates or could operate as a fraud or deceit upon a client, or to engage in any manipulative practice with respect to a client or securities (such as price manipulation). BLM places a high value on ethical conduct and challenges its employees to live up to its ethical ideal, not merely obey the letter of the law.

BLM is a fiduciary with respect to its clients. As such, all personnel are required to place the interests of BLM's clients before their own at all times, not to take inappropriate advantage of their positions, and to conduct themselves in a manner that will avoid any actual or potential conflict of interest or any abuse of a position of trust and responsibility. Favoritism of one client over another client is strictly prohibited. BLM personnel are not allowed to accept anything of

more than de minimis value from anyone that does business with BLM or on behalf of any client, and employees are generally prohibited from serving on the board of directors of any publicly-listed or traded company. Investment personnel are prohibited from recommending, implementing or considering any securities transaction for a client without having disclosed any material relationship or interest in the issuer or its affiliates to the Chief Compliance Officer, and may be asked not to participate in any decision-making process regarding the securities of that issuer. Also, employees are expected to disclose any personal investments or other interests in vendors or suppliers with respect to which the employee makes decisions on behalf of BLM. In all cases, BLM's Chief Compliance Officer will resolve any potential or actual conflict of interest by exercising the good faith and judgment required of a fiduciary.

BLM personnel are also expected to honor the confidential nature of company and client affairs. Information designated as confidential will not be communicated outside BLM, other than to advisers consulted on a confidential basis and shall only be communicated within BLM on a "need to know" basis. BLM personnel must avoid making unnecessary disclosure of any material nonpublic information about issuers of securities or internal information concerning BLM and its business relationships and must use such information in a prudent and proper manner in the best interests of BLM and its clients. BLM has adopted a separate Privacy Policy designed to protect clients' nonpublic personal information.

BLM seeks to foster a reputation for integrity and professionalism. Accordingly, BLM's Code of Ethics prohibits the misuse of material, nonpublic information in securities transactions. BLM forbids any employee from trading on the basis of material nonpublic information, either personally or on behalf of others. Generally, before an employee may place an order for a trade for an account held by the employee, a member of the employee's immediate family or by someone else for the employee's direct or indirect benefit (an "Affiliated Account"), the employee must obtain the approval of BLM's Chief Compliance Officer and Managing Member. No securities transaction for an employee's Affiliated Account will be approved if it appears that the basis for the decision is the activity of a client of BLM, the concurrent dissemination of significant BLM research which is likely to have an impact on the price of the security at the time of the proposed transaction, or a conflict with BLM research or trading activity.

Employees may not purchase or sell (long or short) any securities in an Affiliated Account that they know will be purchased or sold for the account of any client of BLM within the ensuing 5 days or that have been purchased or sold for BLM's clients until 2 days after all planned transactions for BLM's clients have been completed. Also, Affiliated Accounts may not purchase and sell or sell and purchase any given security within a 60 day period (although waivers of this prohibition may be granted by the Chief Compliance Officer and the Managing Member). No employee may purchase any security in an initial public offering or in a private offering until BLM has determined that such a purchase is not recommended for any client (or if such security is being recommended to one or more clients, that the purchase of additional quantities of such securities by clients is not recommended).

Violations of BLM's Code of Ethics constitute grounds for trade cancellations and other sanctions, including dismissal of the persons involved if violations are repeated or deemed to be willful.

Upon request, a copy of BLM's Code of Ethics will be provided to clients or prospective clients by BLM's Chief Compliance Officer.

As explained above, SA, BLM and certain of its related persons and entities also participate in the investments of the Partnerships and both BLM and SA are entitled to incentive amounts, either as fees or special allocations, from the Funds and certain other clients. Because some clients pay only fixed fees, BLM may face a conflict of interest in allocating investment opportunities among its clients when the availability of investment with a particular opportunity is limited, such as is the case with new issues of equity securities ("IPOs"). BLM's allocation policy is intended to insure equitable allocations on limited and partially filled orders and that all clients receive fair and equitable treatment. BLM intends to allocate such opportunity among clients eligible to participate in such opportunity in a fair and equitable manner, according to a formula applied consistently.

BLM will evaluate the appropriateness of each investment opportunity based on each account's investment objectives and restrictions. In addition, BLM will evaluate such factors as it considers relevant in determining whether a particular opportunity or strategy is suitable and feasible for each account, which factors may, but need not include the capital available for investment at any particular time, the nature of the opportunity in the context of the account's other positions at the time, the liquidity of the investment relative to the needs of the account, the risk tolerance of the account, whether a directed brokerage arrangement is in place and the characteristics of such arrangement, the transaction and borrowing costs involved and the tax consequences of the transaction. BLM is not obligated to present every investment opportunity to every client so long as BLM, to the extent within its control, does not favor itself, SA or its employees to the detriment of its clients and acts in a manner that over the long term is fair and equitable to all its clients. No one client will be entitled to priority of choice as among available opportunities. In instances where less than 25% of BLM's original order is filled, BLM may determine to allocate the entire order to only one account.

Allocations of public offerings of IPO securities are limited to those clients eligible to participate under FINRA's "new issue" and "allocation" rule and for whom the particular security being issued is a suitable investment. In a public offering where less than 25% of the original order is filled and the allocation is itself too small to permit a rational pro rata allocation among all such clients, BLM may determine to allocate the entire order to only one account. Among the factors considered in making this determination are the executing broker's ability to allocate an odd lot to a client and whether or not at least 50 shares can be allocated to every such client. In cases where a pro rata allocation is not made, allocations are made to eligible clients on a rotational basis where each eligible account continues to receive all rotational allocations until the account receives a total of 2% of its market value in public offerings. Then the next eligible account in the rotation receives its 2% allocation, and so forth.

## **BROKERAGE PRACTICES**

To the extent that clients grant BLM discretion to place orders for the execution of portfolio transactions, transactions are allocated to brokers and dealers for execution at prices and commission rates that, in the good faith business judgment of BLM, are in the best interests of the client. The primary objective in the placement of securities transactions with specific brokers is to obtain the best execution possible. When BLM determines that it would be appropriate for more than one client to participate in an investment opportunity, BLM may aggregate orders and place orders simultaneously for each client for whom no directed brokerage arrangement is in place, and/or managed accounts whose directed brokerage firms allow “step out” trades. Step out trades allow BLM to place and execute orders at one broker and settle the trade with another broker who then receives the commission on the trade and issues a confirmation for the trade. Such aggregations of orders and step out trades are employed in an effort to achieve best execution. In the event that an order is executed at one brokerage firm and then stepped out to a client’s directed brokerage firm, the commission costs paid by the client are the same as those that would have applied had the order been executed at the client’s directed brokerage firm.

Although every effort is made to negotiate the best commission, BLM does not ordinarily seek to negotiate “execution only” commission rates; thus lower commission rates are in most instances available from other brokers. Relevant factors that are considered in negotiating commission rates include, but are not limited to, the broker’s execution capabilities, reliability and financial responsibility, custodial services, research, and other services provided which both directly benefit client portfolios and enhance BLM’s general portfolio management capabilities. Accordingly, if BLM determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value to the advisory accounts of the brokerage and products or services provided by such broker, the advisory accounts may pay a higher commission than another broker may charge. In this respect, BLM receives a benefit because it does not have to produce or pay for the research, products or services.

Research and other products and services furnished by brokers through whom BLM effects securities transactions may be used in servicing all of BLM’s accounts and not all of such services may necessarily be used by BLM in connection with the accounts which paid commissions to the broker providing the service. BLM does not attempt to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Certain of BLM’s arrangements with brokers may fall outside the safe harbor parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended, which authorizes the use of brokerage commissions for “soft dollar” payments in certain circumstances. BLM’s brokerage criteria permit the use of certain “soft dollar” payments that fall outside the safe harbor of Section 28(e), provided that advisory accounts do not pay brokerage commissions or other charges higher than those competitively available from comparable brokerage firms for comparable services, taking into account all of the relevant factors. In effecting transactions, BLM may select brokers and dealers who, in recognition of commissions received on transactions for a client’s account and other accounts managed by BLM, are willing to provide BLM brokerage, research and other services such as trading and market information and trading facilitation software. Such services are expected to enhance the general portfolio management

capabilities of BLM, even though a client's account may not, in any particular instance, be the direct or indirect beneficiary of the research or other service provided. In addition, BLM may direct commissions to certain brokers and dealers that may furnish other products and services to BLM, including but not limited to, news and quotation equipment and communication and other electronic office equipment, computer hardware and software, research/business intelligence services, account record keeping and billing software, records retention and clerical services, publications, benchmark portfolio services, economic consulting services, portfolio attribution and characteristic services, peer analysis, information technology consulting, compliance services and portfolio management software, support and consulting. When more than one broker-dealer is believed to be capable of providing the best combination of price and execution with respect to a particular portfolio transaction, BLM sometimes selects a broker-dealer which furnishes the aforementioned research and other products and services.

BLM's right to use "soft dollar" payments may also give rise to certain conflicts of interest. For example, BLM may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution. With respect to these and other possible conflicts of interest, however, BLM and its related persons intend to perform their duties at all times in a manner which they consider to be in the best interests of its clients.

Subject to its obligation to obtain "best execution", BLM may also execute trades on behalf of the advisory accounts through other broker-dealers, including broker-dealers who refer clients to BLM or investors to the Funds. This practice may provide an incentive for BLM to select or recommend a broker-dealer based on its interest in receiving client referrals, rather than on its clients' interest in receiving most favorable execution. BLM attempts to direct commissions to broker-dealers who refer clients to an extent that reflects the value to BLM of the additional assets under management.

In allocating transactions to brokers and dealers who provide soft dollar benefits and client referrals, BLM's primary objective is to obtain the best execution possible in light of all relevant factors. This means applying its best execution policy in the same fashion that it does with any other brokers and dealers who can provide services or client referrals. This also involves, as with other brokers and dealers, aggregating orders and employing step out trades.

To monitor the application of BLM's best execution policy, its traders, research analysts and portfolio managers rank brokerage relationships on several performance-related levels. The scoring system has an impact on the amount of business that is directed to firms. In addition, on a regular basis BLM monitors the volume weighted average price ("VWAP") of where a stock traded during the execution period for its trades to see which firms have been able to execute orders most efficiently. This information is reviewed in tandem with the results of the broker rank to ensure that the brokerage firms that rank the highest by its standards are also delivering in terms of execution capability. Also, BLM's traders, research analysts and portfolio managers review the research products received to insure the benefit is sufficient for the cost incurred.

Any firm that is not performing up to BLM's execution standards, including firms that provide soft dollar benefits and client referrals, or are not providing an effective service/product, are

reviewed. The service/product or firm will eventually be removed from the approved list if there is no improvement. There are no quotas factored into the scoring system; it is based entirely upon merit. BLM mandates that firm personnel that are not involved in the portfolio management/research/trading functions are those that are responsible for supervising the compliance regimen and monitoring daily trading activity.

BLM's authority to exercise brokerage discretion is dependent upon the nature of the authority granted it by each client. BLM does not routinely recommend, request or require that a client direct it to execute transactions through a specified broker-dealer although BLM will permit a managed account client to direct brokerage. If a client directs brokerage, BLM may be unable to achieve the most favorable execution of its transactions. Also, directing brokerage may cost the client more money in the form of higher brokerage commissions because BLM may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices. Further, when retaining the right to direct brokerage, the client is responsible for negotiating the brokerage commissions paid and may not be able to participate in IPOs unless the client's broker-dealer acts as an underwriter to the offering.

When BLM determines that it would be appropriate for certain accounts to participate in an investment opportunity, BLM will execute orders on a basis which is fair and equitable. In such situations, BLM may aggregate orders and place orders simultaneously for each managed account for which no directed brokerage arrangement is in place, and/or managed accounts whose directed brokerage firms allow step out trades. If BLM aggregates orders, and all such orders are not filled at the same price, BLM will cause each such account to pay or receive a price that is no less favorable than the average of the prices at which the orders were filled for all managed accounts participating in the aggregate order and its own proprietary capital, if any. BLM shall not aggregate trades unless 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 its investment management agreements.

## **REVIEW OF ACCOUNTS**

Mr. Schreiber, Chief Portfolio Manager for BLM, and/or other members of the team which includes BLM's Portfolio Manager, Controller, Portfolio Administrator and Director of Administration, conduct daily reviews of BLM's portfolios on both a group and an individual account basis. Mr. Schreiber and the team review portfolios to insure that they contain the optimal number of companies and the correct combination of securities pursuant to BLM's and clients' investment guidelines. BLM's staff performs a series of checks that are designed to insure that each portfolio's weightings in individual securities and industries, and equity/cash ratios are within BLM's and clients' investment guidelines.

There are a series of reviews performed prior to entering trade orders to insure that BLM complies with each portfolio's investment guidelines. In addition, BLM's traders review trade executions and other members of the operations team review all trade confirmations within 24 hours of execution. Members of BLM's operations team review and reconcile custodial account



statements of all client accounts with BLM's portfolio management system on at least a monthly basis.

BLM's clients or their designated agents receive from their custodians (i) monthly account statements and (ii) IRS Form 1099 at the end of each calendar year. In addition, certain clients receive monthly and/or quarterly statements from BLM, upon request. All clients receive written confirmations of all securities transactions when executed, unless the client gives a specific written request not to receive confirmations. Monthly custodial reports summarize security positions, prices, total value, dividends received, and summaries of debits, credits and all other transactions during the preceding month, in addition to other information. When requested, BLM's monthly and/or quarterly statements include realized gain and loss for the period, in addition to a majority of the information set forth on the monthly custodial statements.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

BLM may enter into written arrangements with both individuals and entities who act as solicitors for the investment management business of BLM. These agreements, in compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940, provide for cash compensation to solicitors who refer clients to BLM or investors to the Funds. Both BLM and the solicitors must adhere strictly to all necessary disclosure and other requirements specified in the rule. Each client or investor is given a copy of the solicitor's disclosure statement and is required to acknowledge receipt thereof prior to or at the time of entering into any advisory contract or Fund subscription agreement. In the event of a referral, the solicitor is directly compensated by BLM based on a formula that is individually negotiated and disclosed in the specific solicitation agreement and in the solicitor's disclosure statement. Clients introduced to BLM and investors introduced to the Funds by way of a solicitor bear none of the cost of such referral fees. To the extent that a solicitor is a qualified broker-dealer and subject to BLM's "best execution" requirements, such solicitor may execute brokerage transactions for the referred client or Fund in lieu of, or in addition to, a referral fee.

### **CUSTODY**

With respect to the Funds, BLM and SA are deemed to have custody by virtue of SA's status as general partner. For each Fund, the qualified custodians presently utilized by BLM are Pershing LLC and Goldman Sachs & Co. All Fund investors will be provided with audited financial statements for the Funds within 120 days of the end of the Funds' respective fiscal years.

With respect to its managed account clients, BLM does not have custody of client funds and securities; an independent qualified custodian provides custodial services in all cases. However, under Federal securities laws, BLM is deemed to have limited custody with respect to the accounts of those clients that authorize BLM to invoice their custodians and to instruct them to debit the clients' accounts automatically to pay BLM's advisory fees. Except for this deemed limited custody, BLM does not in any way have custody of any client's assets. Nevertheless, BLM may issue instructions to custodians as agent for clients to settle transactions initiated by

BLM. In all cases, clients will receive account statements from their broker-dealer, bank or other qualified custodian at least quarterly and are urged to carefully review those statements and to compare those account statements with any requested account statements received directly from BLM.

## **INVESTMENT DISCRETION**

BLM manages clients' assets on a discretionary basis. Each Fund's investment strategy is set forth in detail in such Fund's offering memorandum. Individual investors in the Funds do not have the ability to impose limitations on BLM's discretionary authority. Prospective investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all other relevant offering materials, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Fund investors must also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in the relevant Fund.

Other clients grant BLM investment discretion through a written investment management agreement under which BLM supervises and directs the investment and reinvestment of their assets. BLM may agree to comply with certain investment restrictions relating to diversification and types of investments as may be requested by certain managed account clients from time to time. In other respects, BLM's investment discretion is not limited other than by restrictions imposed by applicable law. Individual investors in the Funds do not have the ability to impose limitations on BLM's discretionary authority because the Fund's investment management agreements are entered into by the Fund not by individual investors.

BLM's Chief Compliance Officer or another employee assigned to do so by the Chief Compliance Officer must review and approve the opening of each new client account. The account opening procedures BLM follows before assuming discretionary authority are to review and confirm various items regarding the client. More specifically, at the time that a client contract is prepared and issued, a copy of this Brochure as well as BLM's Privacy Notice must be sent to the client. It is BLM's procedure to send a copy of this Brochure and Privacy Notice with the investment management agreement and to include in the contract an acknowledgment of receipt by the client. BLM also obtains documentation of client's financial condition and investment objectives, including any reasonable client restrictions on the management of the account. Documentation is completed for compliance with FINRA Rule 5130 and Rule 5131 for those accounts wanting to take part in new issue securities. Written evidence of signatory authority over the account to be managed is provided. Lastly, BLM obtains proof of funding in the account BLM is to begin managing.

## **VOTING CLIENT SECURITIES**

BLM has a proxy voting policy and procedures. BLM will typically vote with management on routine proposals such as approval of auditors and election of directors and vote against

management on corporate governance proposals such as poison pills and golden parachutes. BLM will review, on a case by case basis, nonroutine proposals that may affect the structure and operations of a corporation (such as mergers, acquisitions, stock option and other compensation plans) and all proposals submitted by shareholders. Proxy voting will be determined by a portfolio manager(s) in conjunction with the research analyst that covers the company.

If BLM becomes aware of any material conflict of interest between a client and BLM that might be affected by BLM's voting of proxies, BLM will contact the client to provide the client with, among other things, (i) a description of the conflict of interest, (ii) a statement about how BLM proposes to vote; and (iii) an indication that the client may withdraw their consent permitting BLM to vote as BLM has indicated.

If the client would like to obtain a complete copy of BLM's voting policies and procedures or information about how BLM voted with respect to any of their securities, the contact is:

Kelly Marie Mosley  
Bennett Lawrence Management, LLC  
One Grand Central Place  
60 East 42nd Street, 43rd Floor  
New York, NY 10165  
Phone: 212-508-6404

## **FINANCIAL INFORMATION**

BLM does not require prepayment of more than \$1,200 in fees per client six months or more in advance and is unaware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

**FORM ADV – PART 2B**  
**BROCHURE SUPPLEMENT**

**SUYDAM VAN ZANDT SCHREIBER**

**BENNETT LAWRENCE MANAGEMENT, LLC**

One Grand Central Place  
60 East 42<sup>nd</sup> Street, 43<sup>rd</sup> Floor  
New York, NY 10165  
212-508-6400

March 30, 2012

**This brochure supplement provides information about Mr. Schreiber that supplements the Bennett Lawrence Management, LLC (“BLM”) brochure. You should have received a copy of that brochure. Please contact Jane H. Fisher, Chief Operating Officer, at 212-508-6408 or [jfisher@bennettlawrence.com](mailto:jfisher@bennettlawrence.com) if you did not receive BLM’s brochure or if you have any questions about the contents of this supplement.**

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Mr. Schreiber is BLM's Chief Portfolio Manager and is responsible for determining general investment advice to be given to clients. He is assisted by W. Alexander L. Ely, Portfolio Manager, and supported by a team of in-house research analysts.

### **Suydam Van Zandt Schreiber**

Date of Birth: July 27, 1939

#### ***Business Background:***

June 1996 through Present:	Managing Member Schreiber Associates, LLC
August 1995 through Present:	Chief Portfolio Manager and Managing Member Bennett Lawrence Management, LLC
January 1993 through August 1995:	Managing Director Deutsche Morgan Grenfell/C.J. Lawrence Inc.
November 1973 through December 1992:	Executive Vice President, Board of Directors, Executive Committee, Investment Policy Committee C.J. Lawrence & Company, Inc.
October 1965 through October 1973:	Employee and Partner C.J. Lawrence & Sons

#### ***Educational Background:***

Williams College - BA, History 1961  
New York University Graduate School of Business - MBA, Finance 1965

## DISCIPLINARY INFORMATION

Mr. Schreiber has never been subject to any criminal or civil action or any proceeding before a regulatory agency or self-regulatory organization or any other legal or disciplinary event.

## OTHER BUSINESS ACTIVITIES

Mr. Schreiber is the Managing Member and majority equity owner of BLM. He is also the Managing Member and majority equity owner of Schreiber Associates, LLC ("SA"), which is the general partner of a private investment limited partnership offered solely to "qualified purchasers" (as defined under federal securities laws) for which BLM acts as advisor and management company ("BLP") and two specialty private investment limited partnerships offered

solely to U.S. and foreign persons who are “accredited investors” and “qualified clients” (as defined under federal securities laws) for which BLM acts as advisor and management company (“BLEG” and “BLSF”), and an offshore fund offered solely to foreign and U.S. tax-exempt investors for which BLM acts as investment advisor (“BLOL”). Under an investment management agreement, BLM assists SA in the management of the investment portfolios of BLP, BLEG and BLSF. In addition, Mr. Schreiber is a Director of BLOL, for which BLM provides investment advisory services under a contractual arrangement.

### **ADDITIONAL COMPENSATION**

Mr. Schreiber receives no compensation or other economic benefit for providing advisory services from anyone that is not a client of BLM.

### **SUPERVISION**

Jane H. Fisher, Chief Compliance Officer and Operations Director, is responsible for supervising Mr. Schreiber’s advisory services on behalf of BLM and is responsible for BLM’s compliance program. She can be reached at 212-508-6408.

BLM’s compliance program requires that a number of monitoring routines be performed on a pre-trade and post-trade basis to insure that all client objectives are met. These routines include strategy, best execution, performance, valuation, account reconciliation and allocation reviews. Such routines are done at various points on a daily, weekly, monthly, quarterly and/or annual basis.

In addition, BLM’s Compliance Manual contains the firm’s Code of Ethics which outlines the firm’s policy on fiduciary duties whereby all employees, including Mr. Schreiber and Mr. Ely, are to place the interests of BLM’s clients before their own and not to take inappropriate advantage of their position. All employees must conduct themselves in a manner that will avoid any actual or potential conflict of interest or any abuse of a position of trust and responsibility. All employees must sign and agree to the terms of the compliance manual and acknowledge such obligation on an annual basis, at minimum.

**FORM ADV – PART 2B**  
**BROCHURE SUPPLEMENT**

**W. ALEXANDER L. ELY**

**BENNETT LAWRENCE MANAGEMENT, LLC**

One Grand Central Place  
60 East 42<sup>nd</sup> Street, 43<sup>rd</sup> Floor  
New York, NY 10165  
212-508-6400

March 30, 2012

**This brochure supplement provides information about Mr. Ely that supplements the Bennett Lawrence Management, LLC (“BLM”) brochure. You should have received a copy of that brochure. Please contact Jane H. Fisher, Chief Operating Officer, at 212-508-6408 or [jfisher@bennettlawrence.com](mailto:jfisher@bennettlawrence.com) if you did not receive BLM’s brochure or if you have any questions about the contents of this supplement.**

## **EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

As Portfolio Manager, Mr. Ely assists Mr. Schreiber, BLM's Chief Portfolio Manager, in determining investment advice to be given to clients. They are supported by a team of in-house research analysts.

**W. Alexander L. Ely**

Date of Birth: July 30, 1969

### ***Business Background:***

October 1997 through Present: Portfolio Manager, Portfolio Analyst, (pre-2002)  
Bennett Lawrence Management, LLC

August 1992 to September 1997: Equity Product Manager, Sales Assistant, Sales  
Associate and Wholesaler  
Oppenheimer Management Corp.

### ***Educational Background:***

University of New Hampshire - BA, Economics 1991

## **DISCIPLINARY INFORMATION**

Mr. Ely has never been subject to any criminal or civil action or any proceeding before a regulatory agency or self-regulatory organization or any other legal or disciplinary event.

## **OTHER BUSINESS ACTIVITIES**

Mr. Ely is an equity owner of BLM and Schreiber Associates, LLC ("SA"), which is the general partner of a private investment limited partnership offered solely to "qualified purchasers" (as defined under federal securities laws) for which BLM acts as advisor and management company ("BLP") and two specialty private investment limited partnerships offered solely to U.S. and foreign persons who are "accredited investors" and "qualified clients" (as defined under federal securities laws) for which BLM acts as advisor and management company ("BLEG" and "BLSF"). Under an investment management agreement, BLM assists SA in the management of the investment portfolios of BLP, BLEG and BLSF.

## **ADDITIONAL COMPENSATION**

Mr. Ely receives no compensation or other economic benefit for providing advisory services from anyone that is not a client of BLM.



## **SUPERVISION**

Jane H. Fisher, Chief Compliance Officer and Operations Director, is responsible for supervising Mr. Ely's advisory services on behalf of BLM and is responsible for BLM's compliance program. She can be reached at 212-508-6408.

As Chief Portfolio Manager, Mr. Schreiber is also responsible for supervising Mr. Ely and monitoring the investment advice provided to clients. He can be reached at 212-508-6400.

BLM's compliance program requires that a number of monitoring routines be performed on a pre-trade and post-trade basis to insure that all client objectives are met. These routines include strategy, best execution, performance, valuation, account reconciliation and allocation reviews. Such routines are done at various points on a daily, weekly, monthly, quarterly and/or annual basis.

In addition, BLM's Compliance Manual contains the firm's Code of Ethics which outlines the firm's policy on fiduciary duties whereby all employees, including Mr. Ely, are to place the interests of BLM's clients before their own and not to take inappropriate advantage of their position. All employees must conduct themselves in a manner that will avoid any actual or potential conflict of interest or any abuse of a position of trust and responsibility. All employees must sign and agree to the terms of the compliance manual and acknowledge such obligation on an annual basis, at minimum.