

Black Swan Advisors, LP

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This Brochure provides information about the qualifications and business practices of Black Swan Advisors, LP (“Black Swan”). If you have any questions about the contents of this Brochure, please contact us at (210) 477-7610. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Black Swan is an investment adviser registered with the SEC. Registration with the SEC does not imply any level of skill or training.

Additional information about Black Swan also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 –MATERIAL CHANGES

This is Black Swan's initial narrative Brochure prepared in accordance with Part 2A of Form ADV. The material changes to this report were made in item 5 and item 8 including the addition of the Closed Investment Funds and their fee structure. Jeannette Quintanilla has become a 1% owner of Black Swan Advisors, LP on December 11, 2011. This change is noted in Item 4.

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ITEM 4 – ADVISORY BUSINESS

Black Swan was formed in Delaware on September 29, 2006, and has been registered as an investment adviser with the SEC since October 16, 2006. Black Swan is majority owned by S. Tobin Walker and by Black Swan Advisors LLC, which also is owned by S. Tobin Walker. S. Tobin Walker owns 99% of Black Swan Advisors, LP and Jeannette Quintanilla owns 1%. Jeannette Quintanilla became a partial owner on her fifth anniversary with the company.

Black Swan provides discretionary and non-discretionary investment management services regarding (i) allocating assets among third-party trading advisors (“Trading Advisors”) and the private investment funds or accounts they manage (“Underlying Funds”) and (ii) trading and investing in a variety of financial instruments, to its clients, including high net worth U.S. individuals, retirement plans, trusts, and institutional clients (“Clients”), including private investment funds (“Private Funds”). Black Swan serves as the general partner or managing member of the Private Funds. Information about each Private Fund, including information about investment strategies, fees, risks and other material information, is contained in its offering memorandum (each, a “Memorandum”).

As of 12/31/11, Black Swan managed approximately \$55,000,000 of assets on a discretionary basis and \$6,700,000 of Client assets on a non-discretionary basis.

Black Swan provides advisory services to its Clients based on their respective investment objectives and guidelines. The investment objectives and guidelines for each Private Fund are set forth in its Memorandum.

ITEM 5 – FEES AND COMPENSATION

Fees for Separately Managed Accounts

With respect to discretionary accounts, Clients generally pay a 1% annual management fee of assets under management, but fees may vary as they may be negotiated on a case-by-case basis with the client, and are determined based upon a number of factors, including, among other things, the type and extent of advisory services offered, the amount of assets under management, the overall relationship with the Client and other services offered to the Client. Black Swan’s fees generally will be deducted directly from the Client’s custodial accounts.

With respect to non-discretionary accounts, Black Swan does not have a standardized fee schedule for Client accounts. Such accounts are charged an asset-based management fee generally ranging from a rate of 0.5% per annum to 1.0% per annum.

25% of annual asset-based management fees payable to Black Swan (the “Management Fees”) are paid quarterly. Management Fees are generally calculated and invoiced in advance of the last day of each calendar quarter based on the assets under management as of the end of the previous quarter. Asset values are determined by the client’s custodian. Clients may terminate Black Swan’s advisory services without penalty at any time upon prior written notice. Upon such termination, Management Fees charged in arrears will be prorated for any partial period and Management Fees charged in advance will be refunded for partial periods.

Fees for Investment Funds

Fees charged with respect to an investment in a Private Fund are set forth in the Memorandum. Investors in Private Funds alternatively may pay a Management Fee ranging from a rate of 1% per annum to a rate of 1.25% per annum, in each case of the net asset value of the relevant Private Fund. In the case of certain share classes that are no longer being offered, the fee is fixed as 1% of the net asset value as of 12/31/09 and subject to an annual inflation adjustment factor of 3.5%.

Black Swan also may receive performance-based compensation of up to 10% of the increase in the net asset value of a Private Fund above a “high water mark” (i.e., the previous highest net asset value at which performance-based compensation was paid). Performance-based compensation generally is charged annually in arrears and upon an intra-year withdrawal by an investor in a Private Fund. Black Swan’s performance-based compensation is calculated taking into account both realized and unrealized gains.

Fees charged in arrears will be prorated for any partial period and fees charged in advance will be refunded for partial periods. Fees may be reduced or waived in certain circumstances or with respect to certain investors.

Withdrawals or redemptions by investors in a Private Fund can be made on the terms described in the Private Fund’s Memorandum.

Black Swan’s fees (with respect to both Private Funds and Client accounts) do not include investment-related expenses (such as brokerage commissions and custodial fees, as well as research and due diligence-related expenses incurred in selecting and monitoring investments), Trading Advisor fees and expenses. These charges are exclusive of and in addition to Black Swan’s fees.

Item 12 describes the factors that Black Swan considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Fees for Closed Investment Funds

As provided under the Funds’ governing documents, the Advisor received the following compensation for the closed Black Swan Funds.

- For Class A limited partner interests (held by partners contributing \$25 million or more, and those partners that are existing consulting clients and intermediaries) a management fee (the “Management Fee”) equal to (i) one fourth (1/4) of one half percent (0.5%) of the capital account of each Class A limited partner relating to its Class A limited partner interest as of the first business day of each calendar quarter, which amount shall be debited against that limited partner’s capital account;
- For Class B limited partner interests (held by partners who are Managed Platform partners, as such term is defined in the partnership agreement for the Fund) a Management Fee equal to (i) one fourth (1/4) of three fourths percent (0.75%) of the capital account of each Class B limited partner relating to its Class B limited partner interest as of the first business day of each calendar quarter, which amount shall be debited against that limited partner’s capital account;

- For Class C limited partner interests, a Management Fee equal to (i) one fourth (1/4) of one percent (1.0%) of the capital account of each Class C limited partner relating to its Class C limited partner interest as of the first business day of each calendar quarter, which amount shall be debited against that limited partner's capital account;
- For Class D limited partner interests, the Management Fee is charged outside the Fund.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As set forth in Item 5 above, Black Swan may receive performance-based compensation of up to 10% of the increase in net asset value of an investor's investment in a Private Fund above a "high water mark" (i.e., the previous highest net asset value at which performance-based compensation was paid). Performance-based compensation generally is charged annually in arrears and upon the intra-year redemption by an investor in a Private Fund. Black Swan's performance-based compensation is calculated taking into account both realized and unrealized gains. Performance-based compensation will be in conformity with Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act"), as applicable. Please see Item 5 for more information.

Performance-based fee arrangements may create an incentive for Black Swan to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities.

Managing accounts that are charged performance-based compensation and accounts that are not may give rise to a potential conflict of interest, as Black Swan may have an incentive to favor the Private Funds for which it or a related person receives performance-based compensation over Private Funds or Client Accounts for which Black Swan receives only an asset-based fee.

Black Swan has procedures designed and implemented so that all Clients are treated fairly and equally, and to prevent this potential conflict from influencing the allocation of investment opportunities among Clients.

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ITEM 7 – TYPES OF CLIENTS

Black Swan provides investment advice to U.S. clients, including private investment funds, retirement plans, individuals, high net worth individuals, trusts, charitable organizations, corporations or other institutions. Black Swan does not have a standard minimum account size.

ITEM 8 –METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The investment objective of each strategy described below is to achieve long-term capital appreciation (a) primarily, by allocating its assets, directly and indirectly, among independent professional trading advisors (the “Trading Advisors”) which will exercise their discretion to trade and invest in financial instruments, and (b) to a lesser extent, by trading and investing directly in financial instruments at the direction of Black Swan.

- Directional Opportunities: This strategy places particular emphasis on strategies that have the potential to produce positive returns in a downward-trending equity market, while seeking to participate during upward-trending markets. This strategy intends to allocate assets to trading advisors pursuing short-only, long-short, managed futures, fixed income and commodities strategies, and uses cash equivalents and cash directly, under Black Swan’s guidance, as a tactical allocation tool.
- Global Multi-Asset: This strategy utilizes a wide variety of Financial Instruments and allocates assets to Trading Advisors which utilize diverse investment strategies (excluding short-only equities strategies) to achieve moderate risk-adjusted returns over the long term. This fund is in the process of liquidation.
- Long-Term Savings: This strategy seeks to make specialized investments that are more suitable for non-taxable entities than taxable accounts and allocates assets to Trading Advisors which utilize diverse investment strategies (excluding short-only equities strategies) to achieve moderate risk-adjusted returns over the long term. This fund is in the process of liquidation.
- Low Volatility: This strategy utilizes a variety of Financial Instruments and allocates its assets to Trading Advisors which utilize a variety of investment strategies which are intended to achieve moderate returns with low risk and volatility which is lower than equity markets (limiting short-only equities strategies, as well as highly leveraged strategies, and speculative options trading). This fund is in the process of liquidation.
- Managed Accounts may pursue additional investment strategies focused on trading and investing in publicly traded equities, options, fixed income securities, mutual funds, exchange traded funds, and money market funds. Accounts will be modeled as Black Swan and a Client agree and in accordance with the Client’s investment objectives.

Closed Investment Funds

Additionally, the Advisor is the general partner of and provides investment supervisory services to five private pooled funds of funds, (the Black Swan Advisor, L.P. Funds) (described more fully

below). The Advisor manages the Funds on a discretionary basis and has full authority in determining which securities are purchased and sold.

Black Swan Capital, LLC: This fund acts as a General Partner to Black Swan Advisors, LP, the RIA entity. The below funds are in liquidation as of December 31, 2009.

- Black Swan Global Opportunity Fund, LP: This fund invests primarily in investment funds specializing in global investments. This fund may also invest in investment funds that purchase domestic and foreign equities, money market funds, bonds, Exchange Traded Funds, mutual funds, options, derivatives, currencies, private equity, PIPEs and other types of investments. Closed Fund
- Black Swan Domestic Opportunity Fund, LP: This fund invests primarily in investment funds that specialize in domestic equities. This fund may also invest in investment funds that purchase domestic and foreign equities, money market funds, bonds, Exchange Traded Funds, mutual funds, options, derivatives, currencies, private equity, PIPEs and other types of investments. Closed Fund
- Black Swan Fixed Income Alternative, LP: This fund invests in investment funds specializing in low volatility hedge fund strategies. Closed Fund
- Black Swan Multi-Strategy Taxable Investors Fund, LP: This fund invests in investment funds that purchase domestic and foreign equities, money market funds, bonds, Exchange Traded Funds, mutual funds, options, derivatives, currencies, private equity, PIPEs and other types of investments. Closed Fund
- Black Swan Multi-Strategy Non-Taxable Investors Fund, LP: This fund also invests in investment funds that purchase domestic and foreign equities, money market funds, bonds, Exchange Traded Funds, mutual funds, options, derivatives, currencies, private equity, PIPEs and other types of investments. Closed Fund

There can be no assurance that a Client will achieve its investment objective or that the strategies pursued and methods utilized by Black Swan will be successful under all or any market conditions.

Certain Risk Factors

Investing in securities involves risk of loss that Clients should be prepared to bear. A brief explanation of the material risks associated with Black Swan's principal investment strategies and methods of analysis follows. Additional risk factors are set forth in the offering documents of each Private Fund.

- Market Volatility. Investments are subject to the risks of market volatility, which may be severe. Such market volatility may be caused by, among other things, unpredictable domestic and international economic and political events that, in turn, may cause sudden and severe reductions in the value of an investment.

- Risks of Multi-Trading Advisor Strategy

- Lack of Control. Black Swan does not control the Trading Advisors, their choice of investments or other investment decisions, which are entirely within the control of the trading advisors. In addition, Black Swan may not have any control over the institutions selected by the trading advisors for brokerage, clearing and custody services. Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of a New Series.
- Monitoring Trading Advisors. Black Swan must ultimately rely on each Trading Advisor to operate in accordance with the investment strategy and guidelines laid out by such Trading Advisor, and the accuracy of the information provided to the New Series by such Trading Advisor. If a Trading Advisor does not operate in accordance with its investment strategy or guidelines, or if the information furnished by a Trading Advisor is not accurate, a Fund may sustain losses with respect to its investment with the Trading Advisor.
- Independence of each Trading Advisor. The investment and trading activities of each Trading Advisor are conducted independently of one another and are not coordinated with the other Trading Advisors. Accordingly, it is possible that one Trading Advisor may take a position which has the economic effect of offsetting an opposite position taken by another Trading Advisor, effectively canceling the potential economic benefit from either position. Alternatively, it is possible that each Trading Advisor may hold a position in the same financial instrument or sector, thereby creating more concentration than would be the case in a more diversified investment portfolio.
- Limits on Information. Black Swan may not always be provided with detailed information from a Trading Advisor regarding all of the investments made by it because certain of this information may be considered proprietary information by the Trading Advisor.
- Risk Controls. Recent events, including the bankruptcy and other adverse financial results of major financial institutions, have focused attention upon the necessity for firms to maintain adequate risk controls and compliance procedures. There is no assurance that the Trading Advisors' risk controls and procedures will be adequate.
- Limited Liquidity of Certain Financial Instruments. Markets in which the Trading Advisors trade may be thinly traded and relatively illiquid or may cease to be traded after a Trading Advisor invests in such markets. The Trading Advisors may also acquire significant positions in particular Financial Instruments. In such cases, and in the event of extreme market activity, a Trading Advisor may not be able promptly to liquidate such Financial Instruments if the need should arise. In addition, a Trading Advisor's sale of thinly-traded Financial Instruments could depress the market value of such Financial Instruments and thereby reduce the relevant investment's profitability or increase its losses. Such circumstances or events could affect materially and adversely the amount of gain or loss a Series may realize.

- Concentration of Investments. Certain Trading Advisors may invest in a concentrated portfolio of Financial Instruments in a single market sector. The result of such concentration is that poor sector performance will have a more negative effect than would be the case in a more diversified investment portfolio.
- Investment-Related Risks Generally Applicable to All Strategies
- Equity/Debt Securities Risks
 - Short Sales. A short sale involves the sale of a security which the investor does not own, and involves the potentially unlimited risk of an increase in the market price of the securities sold short.
 - Large Capitalization Issuers. As equity securities are contingent claims on the assets of a corporation, all equities contain inherent risks to shareholders. Large capitalization securities can exhibit periods of rapid declines in value, exhibit volatility in earnings due to market and company – specific developments, and prices can respond adversely to these systematic and unsystematic risks.
 - Small- and Mid-Capitalization Issuers. Small and mid-capitalization issuers which may be more vulnerable than larger companies to adverse business or market developments, may have limited product lines, markets or financial resources and may lack management depth. In addition, such issuers may be less known to the investing public, may not be significantly owned by institutional investors and may not have steady earnings growth. In addition, the securities of small- and, to a lesser extent, mid-cap issuers may also be more volatile in price, have wider spreads between their bid and ask prices and have significantly lower trading volumes than larger capitalization stocks. As a result, the purchase or sale of more than a limited number of shares of a small or, to a lesser extent, a mid-cap security may affect its market price.
 - Non-U.S. Investments. Since non-U.S. securities often are purchased with, and payable in, currencies of foreign countries, the value of these assets as measured in U.S. Dollars may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. Non-U.S. securities markets may not be as developed, liquid, or efficient as those in the United States, and securities of non-U.S. issuers may be less liquid and their prices more volatile than securities of comparable U.S. issuers. Non-U.S. markets and non-U.S. issuers of securities are generally subject to less stringent or different regulations than are U.S. markets and issuers. There is generally less publicly available information regarding non-U.S. issuers of securities than is typically available about U.S. issuers. Custodial and brokerage expenses for transactions in non-U.S. securities may be higher than for transactions in U.S. securities.
 - Newly Issued Securities. Newly issued securities, which involves greater risk than securities trading in general. The prices of newly issued securities may not increase as expected and, in fact, may decline more rapidly than other securities. While many people assume that securities will continue to trade higher after an initial public offering until they are sold, there is no guarantee that this will occur.

- Distressed Securities. Financial Instruments issued by companies in transition, out of favor, financially leveraged or troubled, or potentially troubled, and that may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation are likely to be particularly risky investments, though they also may offer the potential for correspondingly high returns. Such companies' Financial Instruments may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies.
- Open-end Mutual Fund Trading. The value of an open-end mutual fund may fall more quickly or rise more slowly than the stock or bond markets as a whole. This risk is exacerbated in investments which are concentrated in particular types of securities or particular market sectors. Risk is involved in mutual fund selection as well as in determining entry and exit strategies. Most open-end mutual fund shares can only be traded at the end of each day, potentially increasing losses on days of steep overall market declines. In addition, some funds only permit trading well before the market closes. Although Black Swan or the Trading Advisors may attempt to make trading arrangements with funds to permit transactions to occur as near to the close as possible, some funds will not be able to be traded in accordance with Black Swan's or a Trading Advisor's systems on days when an investment is sought between the trading deadline and the market close. Missed trading opportunities may impair performance. There also may be occasions when limited liquidity rights caused by trading restrictions imposed by mutual funds may prevent the timely adjustment of mutual fund holdings in a manner consistent with Black Swan's or a Trading Advisor's risk parameters. This could impact Black Swan's or a Trading Advisor's ability to implement its trading strategies. There also may be occasions when limited liquidity in the markets may prevent the timely purchase or sale of mutual fund holdings. A mutual fund may also delay sending redemption proceeds, mis-mark the mutual fund's holdings, or make a delivery in-kind of securities. This could impact Black Swan's or a Trading Advisor's ability to implement its trading strategies.
- Closed-end Mutual Fund ("CEF") Trading. CEFs are traded on an exchange, and thus the price of a CEF is based on market factors, not the net asset value of the CEF. As such, there is a risk that a CEF's price is less than the net asset value of the CEF's assets. Moreover, CEFs, as an investment sector, could fall out of favor.
- Index-Based Trading. Trading in index-based investment trusts and exchange-traded funds generally involves risks similar to other securities trading. Additionally, these instruments may not move in tandem with the indices upon which they are based.
- Derivative Instruments. The risks associated with derivative transactions are potentially greater than those associated with the direct purchase or sale of the underlying securities because of the additional complexity and potential for leverage. In addition, derivatives may create credit risk (the risk that a counterparty on a derivative transaction will not fulfill its contractual obligations), as well as legal, operational, reputational and other risks beyond

those associated with the direct purchase or sale of the underlying securities to which their values are related.

- Futures Trading. A principal risk in trading futures contracts is the traditional volatility (rapid fluctuation) in market prices. Because of the low margin deposits typically required in futures contract trading, a relatively small movement in the market price of a futures contract may result in a disproportionately large profit or loss. Futures trading may also be illiquid. Certain commodity exchanges do not permit trading in particular futures beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits – which conditions have in the past sometimes lasted for several days in certain contracts – Market Participants could be prevented from promptly liquidating unfavorable positions and Clients could thus be subject to substantial losses.
- Investment in Loans. Investing in loans may expose investor to losses resulting from default and foreclosure. Additionally, there is no assurance that the value of the assets collateralizing the loans or the prospects for a successful reorganization or similar action will correctly be evaluated.
- Hedging. Various risk reduction strategies designed to reduce the risk of the investments for a Client may be employed. A substantial risk remains, nonetheless, that such strategies will not always be possible to implement and when possible will not always be effective in limiting losses. If market conditions are analyzed incorrectly, or a risk reduction strategy that does not correlate well with the investments made is employed, such risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk rather than to increase return. These risk reduction techniques may also increase the volatility of the Client's account and/or result in a loss if the counterparty to the transaction does not perform as promised.
- Leverage. Leveraging enhances the ability to acquire assets, but also amplifies net profits and losses and increases transaction costs.

Additional Risks of the Low Volatility Strategy:

- Private Equity Investments. Assets may be allocated to private equity investments ("PEIs"), the principal risks of which are as follows:
 - Business Risks. A PEI's investment portfolio may consist of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.
 - Investment in Junior Securities. The securities in which a PEI will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.
 - Lack of Sufficient Investment Opportunities. It is possible that a PEI never will be fully invested if enough sufficiently attractive investments are not identified. The

business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, PEI investors may be required to pay periodic management fees during the investment period based on the entire amount of their commitments.

- Illiquidity; Lack of Current Distributions. An investment in a PEI should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. It is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the PEI (including any periodic management fee payable to the sponsor of the PEI) may exceed its income, thereby requiring that the difference be paid from the PEI's capital.
- Leveraged Investments. A PEI may make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both a PEI's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast. During times when credit markets are tight, it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a PEI's investments in the leveraged portfolio companies in a down market.
- Limited Transferability of PEI Interests. There may not be a public market for a PEI's interests. There are substantial restrictions upon the transferability of PEI interests under their organization documents and applicable securities laws. In general, withdrawals of PEI interests will not be permitted. In addition, PEI interests will not be redeemable.
- Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of a PEI's investments, and hence, most of a PEI's investments will be difficult to value. Certain investments may be distributed in kind to PEI investors.
- Non-U.S. Investments. A PEI may invest in portfolio companies that are organized or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a PEI), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition

of non-U.S. taxes on a PEI and/or its investors with respect to a PEI's income, and possible non-U.S. tax return filing requirements for the PEI and/or its investors.

- Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.
- Significant Adverse Consequences for Default. Clients will be subject to significant adverse consequences in the event it defaults on its commitment or other payment obligations to a PEI. In addition to losing its rights to potential distributions from the PEI, a defaulting PEI investor may be forced to transfer its interest in the PEI for an amount that is less than the fair market value of such interest and that may be paid over an extended period of time, without interest. A defaulting PEI also may be subject to lawsuits initiated by a PEI for any deficiency in amounts owed.
- Carried Interest. The fact that a PEI's investment manager's carried interest usually is based on a percentage of net profits may create an incentive for that investment manager to cause the PEI to make riskier or more-speculative investments than otherwise would be the case.
- Emerging Markets. Investing in the companies (and governments) of emerging countries with less well regulated markets than the U.S., the UK or other European Union countries generally involve significant risks, including without limitation, risks with respect to expropriation, nationalization and general social, political and economic instability. In addition, foreign equities in less developed markets may involve greater risks than comparable U.S., UK or EU investments because of, among other things, instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations.

- Real Estate-Related Investments. The value of any real-estate related Investment depends on many factors beyond the control of the Trading Advisors, including without limitation: changes in general economic or local conditions; changes in supply of or demand for competing properties in an area (as a result, for instance, of over-building); changes in interest rates; the promulgation and enforcement of governmental regulations relating to land use and zoning restrictions, environmental protection and occupational safety and liabilities under hazardous waste laws; the unavailability or limitations on the availability of credit for the issuance of mortgages which may render the sale or refinancing of a property difficult or impossible; the financial condition of borrowers and of tenants, buyers and sellers of property; changes in real estate tax rates and other operating expenses; the imposition of rent controls; energy and supply shortages; various uninsured or uninsurable risks; and natural disasters. The stock prices of companies in the real estate industry typically are sensitive to changes in real estate values, property taxes, interest rates, cash flow of underlying real estate assets, occupancy rates, and government regulations affecting zoning, land use, and rents, the management skill and creditworthiness of the issuer, and the state of the U.S. and global economies in general. Publicly-traded real estate securities are subject to all of the risks associated with direct investments in real estate, as well as the risks associated with the securities markets generally, such as changes in investor sentiment and global currency movements, which may introduce additional volatility.

Additional Risks of the Directional Opportunities Strategy:

- Warrants, Options and Puts. The value of warrants and options can be very volatile and they can expire worthless resulting in a loss of the entire investment over a very short time period. In addition, the price of warrants, rights and options do not necessarily move parallel to the prices of the underlying securities.

Additional Risks of the Global Multi-Asset Strategy and Long- Term Savings Strategy:

In addition to the below, see “Warrants, Options and Puts,” “Real Estate-Related Investments,” “Emerging Markets,” and “Private Equity Investments,” above.

- Activist Strategies. Trading Advisors may seek to effectuate corporate change with respect to their investments. The costs in time, resources and capital involved in such activity depend on the circumstances, which are only in part within a Trading Advisor’s control, and which may be significant, particularly if litigation by or against a Trading Advisor ensues. These costs may reduce returns or result in losses.

The foregoing does not purport to be a complete explanation of the risks involved in allocating assets to Trading Advisors, or trading and investing in financial instruments.

ITEM 9 – DISCIPLINARY INFORMATION

Black Swan does not have any disciplinary or legal events to report.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Black Swan serves as the general partner or managing member to its Private Fund Clients. Black Swan does not engage in any other business activity other than providing investment advice.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Black Swan has adopted a Code of Ethics (the “Code”) which sets forth the ethical and fiduciary principles and related compliance requirements under which Black Swan operates and the procedures for implementing those principles.

Black Swan employees are permitted to maintain personal securities accounts and subject to compliance with the Code, may buy, sell or hold securities that Black Swan also may buy, sell or hold for the Private Funds and other clients, although it is not expected that employees will do so.

The Code contains policies and procedures that, among other things:

- prohibit Employees from taking personal advantage of opportunities belonging to Clients;
- prohibit trading on the basis of material nonpublic information;
- place limitations on personal trading by Employees and impose preclearance (in certain cases) and reporting obligations with respect to trading

Black Swan’s Code is available upon request by contacting S. Tobin Walker, Black Swan’s Chief Compliance Officer, at (210) 477-7610.

Black Swan, consistent with Clients’ investment objectives and in accordance with applicable law, may cause accounts it manages to effect, and will recommend to Clients or prospective clients, the purchase or sale of securities in which Black Swan, directly or indirectly, has a position or interest. Black Swan may recommend to Clients an investment in a Private Fund that it advises.

From time to time, it may be appropriate for more than one of the accounts managed by Black Swan to trade in the same securities at the same time. As a general rule, such orders are combined (or bunched) and allocations among Black Swan’s Clients acquiring the same securities on the same day are effected on a pro rata basis, based on the relative value of the accounts, or otherwise on a allocation amount determined at the time of the order. If the orders are combined (or bunched), each of the accounts will have their same day orders filled on an average price basis (such that each receives the same price). While Black Swan’s goal is to be fundamentally fair on an overall basis with respect to all Clients, there can be no assurance that on an overall or trade-by-trade basis that any particular Client will not be treated more favorably than another.

Black Swan does not engage in principal transactions with Client accounts and before it could do so it would have to secure applicable Client consent.

ITEM 12 – BROKERAGE PRACTICES

Although Black Swan may be deemed to retain the discretion (under its general discretionary powers) to determine the broker to be used and negotiates the amount of such broker's commission, when Black Swan allocates Client assets to Trading Advisors (whether for a Private Fund or a Client's account), the Trading Advisor has the authority to determine and does determine the broker to be used and the commission paid, including negotiating the amount of such broker's commission. Black Swan will select the brokers to execute and clear direct transactions in financial instruments in which a Client participates. Information about brokerage for a Private Fund is contained in the Private Fund's Memorandum.

Portfolio transactions may be allocated to brokers on the basis of obtaining the best overall terms available, which each Trading Advisor or Black Swan, as the case may be, will evaluate based on a variety of factors, including the ability to achieve prompt and reliable execution at favorable prices, the operational efficiency with which transactions are effected, the competitiveness of the commission rates, the terms of borrowings available from the broker, the financial strength, integrity and stability of the broker, and the quality, comprehensiveness and frequency of available research and related services considered to be of value.

The Trading Advisors may receive benefits from Brokers that may be deemed "soft" or commission dollars, and these benefits may be available for use in connection with transactions in which Clients will not participate, and these benefits may be outside the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. Black Swan does not receive, nor anticipates receiving, any soft dollar benefits.

To the extent that Trading Advisors receive such benefits, a potential conflict of interest exists between their fiduciary duty to provide advisory services to clients (including the Private Funds) and their desire to receive soft dollar benefits.

ITEM 13 – REVIEW OF ACCOUNTS

Quarterly reviews and reconciliations are conducted by Black Swan's Chief Executive Officer. More frequent reviews will occur if triggered by economic or market conditions.

Investors in Private Funds generally are provided with a monthly letter and account statement which contain information regarding such Private Fund's performance, portfolio composition and underlying investment performance, and the current balance of the investor's investment in such Private Fund, and annually receive audited fiscal year-end financial information. Managed account clients are often provided with quarterly reports of their portfolio and positions.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Black Swan may compensate third parties, including registered broker-dealers, for referring prospective advisory clients (or investors in a Private Fund) to it, at no additional cost to the Client (or investor). Such referral fees generally will be a percentage of the annual management fees and/or

performance-based compensation earned by Black Swan. Such referral arrangements will conform to Rule 206(4)-3 under the Investment Advisers Act of 1940, as applicable.

ITEM 15 – CUSTODY

Black Swan does not have actual custody of any Client assets. Black Swan is deemed to have custody of the Private Funds' assets as the general partner or managing member of such Funds. Millennium Trust Company, LLC (MTC), and Morgan Stanley Smith Barney (MSSB) serve as the Custodians of one or more of the investments in one or more of the Private Funds. Clients should receive at least quarterly statements from these Custodians.

Clients are urged to carefully review all statements and compare them with any reports received directly from Black Swan and should contact Black Swan if they have any questions.

ITEM 16 – INVESTMENT DISCRETION

Consistent with a Client's investment objectives and in accordance with the applicable investment management agreement, Black Swan has authority, without obtaining specific Client consent, to determine the types and amounts of securities to be bought and sold, pursuant to discretion granted to it by its Clients.

Although Black Swan may be deemed to retain the discretion (under its general discretionary powers) to determine the broker to be used and to negotiate the amount of commissions, when Black Swan allocates Client assets to Trading Advisors, such Trading Advisors have the authority to determine the brokers to be used and the commissions paid, including negotiating the amount of such brokers' commissions.

Limitations on Black Swan's authority are guided by, among other things, (i) its responsibility to act as a fiduciary when handling Clients' accounts, (ii) the investment strategies and objectives of its Clients, and (iii) with respect to a Private Fund, the Private Fund's Memorandum.

ITEM 17 – VOTING CLIENT SECURITIES

Black Swan's general practice is not to vote proxies for Clients' securities. To the extent that Black Swan were to vote a proxy, it would do so in accordance with its proxy voting policies and procedures, in the Client's best interests, considering such facts as it deems material.

ITEM 18 – FINANCIAL INFORMATION

Black Swan has no financial condition that impairs its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy proceeding.