

Blackshield Capital Management LLC
Firm Brochure - Form ADV Part 2A

This Brochure provides information about the qualifications and business practices of Blackshield Capital Management LLC ("**Blackshield**"). If you have any questions about the contents of this Brochure, please contact Blackshield Investments at +38 096 111-1110 or by email at: mkoretskiy@blackshieldcapital.ch. 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 Blackshield is also available on the SEC's website at www.adviserinfo.sec.gov. Blackshield's CRD number is: 297817. Registration as an investment adviser does not imply a certain level of skill or training.

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Item 2: Material Changes

This is Blackshield's initial Brochure and there are no material changes to report.

Item 3: Table of Contents

Item 1: Cover Page

Item 2: Material Changes 2

Item 3: Table of Contents 3

Item 4: Advisory Business 4

Item 5: Fees and Compensation..... 4

Item 6: Performance-Based Fees and Side-By-Side Management..... 5

Item 7: Types of Clients..... 7

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss..... 7

Item 9: Disciplinary Information 8

Item 10: Other Financial Industry Activities and Affiliations 8

Item 11: Code of Ethics, Participation or Interest in Client Transactions and
Personal Trading..... 8

Item 12: Brokerage Practices..... 9

Item 13: Reviews of Accounts 9

Item 14: Client Referrals and Other Compensation 10

Item 15: Custody 10

Item 16: Investment Discretion 11

Item 17: Voting Client Securities (Proxy Voting) 11

Item 18: Financial Information..... 11

Item 4: Advisory Business

Blackshield Capital Management LLC ("**Blackshield**"), a Florida limited liability company formed in June 2017, is the general partner and investment adviser of Blackshield Exponential Technologies LP ("**Partnership**"), a pooled investment vehicle which is discussed below. Blackshield became licensed with the Securities and Exchange Commission in 2018. Blackshield is responsible for the day-to-day administration of the Partnership and has discretionary investment authority over the Partnership's assets. As the manager and controlling person of Blackshield, Mr. Maksym Koretskiy controls all of the Partnership's operations and activities. From the date of organization and as of the date of this Brochure, Blackshield has not formally commenced operations. Blackshield does not have any assets under management in the Partnership as of the date of this Brochure.

Blackshield Exponential Technologies LP ("**Partnership**"), a limited partnership organized under the Delaware Revised Uniform Limited Partnership Act ("**Partnership Act**"), offers clients limited partnership interests ("**Interests**") pursuant to Section 4(2) of the Securities Act of 1933, as amended ("**Securities Act**"), and Regulation D, Rule 506(b) promulgated thereunder. The Partnership is an investment vehicle organized for the purpose of capital growth. Partnership Interests are continuously offered and the minimum initial investment is one hundred thousand dollars (\$100,000); however, Blackshield has the discretion to accept lesser amounts.

Blackshield has complete discretionary investment authority over the Partnership's assets in accordance with the Partnership's Confidential Private Placement Memorandum, Limited Partnership Agreement and Subscription Agreement ("**Offering Documents**"). Each potential investor in the Partnership receives a complete set of Offering Documents prior to investing in the Partnership. To subscribe for Interests in the Partnership, a prospective investor must complete the Subscription Documents contained in the Partnership's Offering Documents. Blackshield makes investment decisions in accordance with the fiduciary duties owed to the Partnership and without consideration of its own economic, investment or other financial interests. To meet its fiduciary obligations, Blackshield attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage the Partnership.

Item 5 Fees and Compensation

Blackshield receives a quarterly management fee calculated as of March 31, June 30, September 30 and December 31 equal to 1/4th of 2.25% of each Limited Partner's share of the Partnership's Net Asset Value (i.e., 0.5625% quarterly or approximately 2.25% annually of the Partnership's net assets) (the "**Management Fee**") as determined in accordance with Section 9 of the Partnership Agreement. The Management Fee is payable on the first business day subsequent to March 31, June 30, September 30 and December 31. Further, the Management Fee is subject to reduction, as follows:

<u>Partnership's Net Asset Value</u>	<u>Management Fee</u>
≤\$499,999	1/4th of 2.25%
>\$499,999	0%

A pro rata Management Fee will be charged to Limited Partners on any amounts permitted to be invested or withdrawn during any calendar quarter. The Management Fee shall be charged to each Limited Partner's Capital Account separately. The Partnership sends an invoice to the Partnership's custodian and each Limited Partner and the Management Fee is withdrawn immediately from the Limited Partner's Partnership Capital Account. Please see Item 15 of this Brochure for more information regarding the deduction of the Management Fee from Limited Partner Partnership Capital Accounts.

Item 6 Performance-Based Fee

Blackshield charges any Limited Partner in the Partnership who is a Qualified Client as defined in 17 CFR 275.205-3 a performance-based incentive allocation as further described below. Blackshield shall have reallocated by credit to its Capital Account and debit to each Limited Partner's Capital Account at the close of each calendar quarter (i.e., March 31, June 30, September 30 and December 31) or such other period as the case may be ("Calculation Date") a percentage of the net increase in Net Asset Value (including realized and unrealized gains) on the Calculation Date as determined on the accrual basis of accounting ("Performance Allocation").

<u>Limited Partner Capital Account</u>	<u>Performance Allocation Percentage</u>
\$100,000 - \$2,000,000	25%
>\$2,000,000	20%

The Performance Allocation shall be subject to a High Water Mark and Loss Carry forward procedure. That is, if the Partnership has a net loss in any calendar quarter, this loss will be carried forward as to each Limited Partner in the Partnership during such calendar quarter to future calendar quarters (such amount is referred to as the ("Loss Carry forward"). Whenever there is a Loss Carry forward for a Limited Partner with respect to a calendar quarter, the Blackshield will not receive the Performance Allocation from such Limited Partner for future calendar quarters until the Loss Carry forward amount for such Limited Partner has been recovered (i.e., when the Loss Carry forward amount has been exceeded by the cumulative profits allocable to such Limited Partner for the calendar quarters following the Loss Carry forward). Once the Loss Carry forward has been recovered, the Performance Allocation shall be based on the excess profits (over the Loss Carry forward amount) as to each Limited Partner, rather than on all profits. The "high water mark" procedure prevents the Blackshield from receiving the Performance Allocation as to profits that simply restore previous losses and is intended to ensure that the Performance Allocation is based on the long-term performance of an investment in the Partnership. When a Limited Partner withdraws capital, any Loss Carry forward will be adjusted downward in proportion to the withdrawal. The Blackshield may agree with any Limited Partner to apply a different Loss Carry forward provision for such Limited Partner.

The net asset value of a client's account ("Net Asset Value") shall be determined on the accrual basis of accounting in accordance with U.S. GAAP consistently applied, and further, in accordance with the following. A determination shall be made on the last day of each calendar year (or other time period, as the case may be) as to the value of a client's account. In making such determination, securities and options which are listed or admitted to trading on a national securities exchange or over-the-counter securities shall be valued at their last sales price on such date, or if no sales occurred on such date, at their "bid" price for a long position and the "ask" price for a short position. There shall be deducted the Management Fee payable to Method. After the foregoing determinations have been made, a further calculation shall be made to determine the increase or decrease in Net Asset Value of a client's account during the calendar quarter (or other time period, as the

case may be) just ended. The term “increase in Net Asset Value” shall be the excess of Net Asset Value at the end of any calendar year (or other time period, as the case may be) over that of the preceding period, after adjusting for interim capital contributions and withdrawals. The term “decrease in Net Asset Value” shall be the amount by which the Net Asset Value at the end of the calendar year (or other time period, as the case may be) is less than the Net Asset Value of the client’s as of the end of the preceding period after making the adjustments specified above. In the event of a net decrease in the Net Asset Value of the account of any client in any calendar year (or other period), the amount of such net decrease shall be carried forward as a “Loss Carry forward”. Any net increase in the Net Asset Value of the account of such client in a subsequent calendar year (or other period) shall be applied to reduce (but not below zero) such Loss Carry forward balance (and, conversely, any net decrease in Net Asset Value shall be applied to increase such Loss Carry forward balance).

In the event, however, that a Limited Partner withdraws funds at a time in which such Limited Partner has a Loss Carry forward, the amount of such Loss Carry forward at such withdrawal date applicable to such Limited Partner shall be reduced by a percentage equal to one hundred percent (100%) multiplied by a fraction, the numerator of which is the amount to be withdrawn from the Limited Partner’s Capital Account, and the denominator of which is the amount in such account immediately prior to the withdrawal

A pro rata Performance Allocation is charged to Qualified Clients on any amounts permitted to be withdrawn during any calendar quarter.

A Limited Partner may not make any withdrawals from their capital accounts for a period of twelve (12) months after the date their investment in the Partnership (the “**Lock-Up Period**”). If a Limited Partner acquires Interests on multiple dates, each tranche of Interests will be tracked separately for purposes of the Lock-Up Period and withdrawals will be deemed made from Interests purchased on the earliest date. After the expiration of the Lock-Up Period, Limited Partners may withdraw a minimum of twenty-five thousand dollars (\$25,000) as of the last business day of any calendar quarter (i.e., March 31, June 30, September 30 and December 31) (each such date shall be referred to herein as a “**Withdrawal Date**”), and upon at least thirty (30) days prior written notice to the General Partner, and in such other amounts and at such other times as the General Partner may determine in its sole discretion. Unless the General Partner consents, partial withdrawals may not be made if they would reduce a Limited Partner’s capital account balance below one hundred thousand dollars (\$100,000), although the General Partner has discretion to allow lesser amounts. All withdrawals shall be deemed made prior to the commencement of the following calendar quarter (i.e., January 1, April 1, July 1, October 1). The General Partner has discretion to waive or vary the terms of this Section.

The Partnership sends an invoice to the Partnership’s custodian and each Limited Partner and the Performance Allocation is immediately reallocated from the Limited Partner’s Partnership Capital Account to Blackshield’s Partnership Capital Account. Please see Item 15 of this Brochure for more information regarding the deduction of the Management Fee from Limited Partner Partnership Capital Accounts. Please see Item 15 of this Brochure for more information regarding the reallocation of the Performance Allocation from Limited Partner Partnership Capital Accounts.

Blackshield’s ability to receive the Performance Allocation creates an incentive for Blackshield to leverage the Partnership’s portfolio and to select investments that are riskier or more speculative than would be the case in the absence of such ability. The Performance Allocation payable to Blackshield is based on both realized

and unrealized appreciation. Performance Fees, by their nature, create a conflict of interest. To mitigate this conflict of interest, Blackshield will adhere to the Partnership Offering Documents and act in accordance with its fiduciary duty to the Limited Partners and the Partnership. Blackshield is required to disclose that lower fees for comparable services may be available from other sources.

Item 7 Types of Clients

The Partnership is sole client of Blackshield. Blackshield does not offer separate managed account services.

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

Blackshield selects long and short investment positions for the Partnership based on pricing inefficiencies in the markets. Blackshield's advanced knowledge of the markets, systematic research of key industry profit drivers, disciplined execution, and polished business processes are the four cornerstones of Blackshield's strategy. Blackshield intends to follow a flexible approach in order to place the Partnership in the best position to capitalize on opportunities in the financial markets. Accordingly, Blackshield may employ other strategies and may take advantage of opportunities in diverse asset classes if they meet Blackshield's standards of investment merit.

Specifically, the Partnership expects to enter into long and short positions in the U.S. and international equities, debt, futures, forward, swap, derivatives markets and other securities that Blackshield believes are inefficiently priced compared to the rest of the market. The Partnership's investments may include marketable and non-marketable securities, and may range in different time horizons. Blackshield will not trade commodities or financial futures on behalf of the Partnership unless Blackshield has registered as a commodity pool operator with the Commodity Futures Trading Commission and become a member of the National Futures Association prior to conducting such trades or is eligible for an exemption from such registration and membership requirements.

The Partnership's success will depend on the management of Blackshield Investments and on the skill and acumen of Mr. Maksym Koretskiy, who is Blackshield's portfolio manager. The Partnership is recently formed and has no operating history upon which prospective investors may evaluate the Partnership's future performance. The Interests are not being offered pursuant to a registration statement under the Securities Act nor under the securities or "blue sky" laws of any state and, thus, are subject to transfer restrictions. Blackshield in its discretion, may suspend or postpone the payment of any withdrawals from capital accounts. Blackshield does not intend to make distributions to the Limited Partners, but intends instead to reinvest substantially all Partnership income and gain, if any. Blackshield has broad discretionary power to decide what investments the Partnership will make and what strategies it will use.

An investment in the Partnership involves significant risks not associated with other investment vehicles and is suitable only for persons of adequate financial means who have no need for liquidity in this investment. There can be no assurances or guarantees that the Partnership's investments will prove successful or that investors will not lose all or a portion of their investment in the Partnership. Investors should consider the Partnership as a supplement to an overall investment program and should only invest if they are willing to undertake the risks involved. In addition, investors who are subject to income tax should be aware that an investment in the Partnership is likely (if the Partnership is successful) to create taxable income or tax liabilities

in excess of cash distributions to pay such liabilities. Investors in the Partnership should carefully read the Partnership's Offering documents. In making an investment decision, investors must rely on their own examination of the Partnership and the terms of the offering of Interests, including the merits and risks involved. Investors and/or their representative(s), if any, are invited to ask questions and obtain additional information from the Blackshield concerning the terms and conditions of the offering, the Partnership, and any other relevant matters to the extent the Blackshield possesses such information or can acquire it without unreasonable effort or expense.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9 Disciplinary Information

There is no criminal, civil, administrative actions or proceeding to report.

Item 10 Other Financial Industry Activities and Affiliations

Neither Blackshield nor Mr. Maksym Koretskiy is registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer. Moreover, neither are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Blackshield has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Blackshield Investments' Code of Ethics is available free upon request to any client or prospective client.

Blackshield does not recommend that clients buy or sell any security in which a related person to Blackshield or Blackshield has a material financial interest. Blackshield, Mr. Maksym Koretskiy and their affiliates may make trades and investments for their own accounts. In these accounts, they may use trading and investment methods that are similar to, or substantially different from, the methods used by them to direct the Partnership's account. The records of these personal accounts will not be made available to Limited Partners.

From time to time, Mr. Maksym Koretskiy or Blackshield may buy or sell investments for themselves at or around the same time as for the Partnership. This may provide an opportunity for Mr. Maksym Koretskiy or Blackshield to buy or sell investments before or after effecting transactions on behalf of the Partnership and thus profit. Such transactions may create a conflict of interest; however, Mr. Maksym Koretskiy or Blackshield will never engage in trading that operates to the Partnership's disadvantage.

Item 12 Brokerage Practices

Brokerage Arrangements. Interactive Brokers will provide brokerage, clearing and custodian services for the Partnership, and will generally execute (on the basis of payment against delivery) the transactions of the Partnership. Blackshield receives no referrals or compensation from Interactive Brokers.

Soft Dollar Arrangements. While Blackshield has no formal soft dollars' program in which soft dollars are used to pay for services, Blackshield receives at no charge, research, products, and/or other services from Interactive Brokers and these are classified as "soft dollar benefits" received in connection with client securities transactions. Such soft-dollar arrangements are consistent with and not outside of the scope of the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular Limited Partner or the Partnership will benefit from soft dollar benefits and Blackshield does not seek to allocate any benefits to Limited Partner accounts in proportion to any soft dollar benefits generated by the Partnership's account. Blackshield benefits by not having to produce or pay for the research, products or services (whether Blackshield uses the soft dollars' benefits or not) and Blackshield is deemed to have an incentive to recommend a custodian such as Interactive Brokers based on receiving soft dollar benefits. Limited Partners should be aware that the deemed acceptance of soft dollar benefits may result in higher commissions charged to the Partnership by the custodian. The availability of soft dollar benefits creates a conflict of interest for Blackshield.

Allocation of Trades. The Blackshield may at times determine that certain securities will be suitable for acquisition by the Partnership and by Blackshield's own accounts, or the accounts of Mr. Maksym Koretskiy. If that occurs, and the Blackshield is not able to acquire the desired aggregate amount of such securities on terms and conditions which the Blackshield deems advisable, the Blackshield will endeavor to allocate, in good faith, the limited amount of such securities acquired among the various accounts for which the Blackshield considers them to be suitable.

Aggregation of Orders. The Blackshield may aggregate purchase and sale orders of securities held by the Partnership with similar orders being made simultaneously for other accounts or entities if, in the Blackshield's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to such portfolio based on an evaluation that the portfolio will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of securities for the Partnership will be affected simultaneously with the purchase or sale of like securities for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined, at the Blackshield's sole discretion, and the Partnership may be charged or credited, as the case may be, with the average transaction price.

Item 13 Review of Accounts

Investments of the Partnership are reviewed continuously by Blackshield through Mr. Maksym Koretskiy.

Each Limited Partner in the Partnership will receive annual financial statements of the Partnership and copies of such Limited Partner's Schedule K-1 to the Partnership's tax returns, and other reports as determined by the

Blackshield in its sole discretion. The Partnership shall bear all fees incurred in providing such tax returns and reports.

Item 14 Client Referrals and Other Compensation

Blackshield does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Partnership. Blackshield and Mr. Koretskiy may direct some Partnership brokerage business to brokers who refer prospective investors to the Partnership. If such referrals occur, they are likely to benefit the Blackshield while, at the same time, provide little, if any, benefit to the Limited Partners. Consequently, Blackshield will have a conflict of interest with the Partnership when allocating Partnership brokerage business to a broker who has referred investors to the Partnership. To prevent Partnership brokerage commissions from being used to pay investor referral fees, Blackshield will not allocate Partnership brokerage business to a referring broker unless it is determined in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to the Partnership.

Item 15 Custody

When advisory fees are deducted directly from the Partnership's and Limited Partners accounts at the Custodian, Blackshield is deemed to have custody of Limited Partner's assets and must have written authorization from the Partnership and/or the Limited Partner to do so. Limited Partners will receive invoices from the Partnership and Blackshield and Limited Partners should carefully review those invoices for accuracy. Further, pursuant to Securities Regulations if the investment adviser or investment adviser representative has custody, by having an association or an affiliation with a Pooled Investment Vehicle and complies and provides the following safeguard requirements, Blackshield is required to comply with and meet the following safeguard requirements:

- a. Engage an Independent Representative. Hire an independent representative to review all fees, expenses and capital withdrawals from the pooled accounts;
- b. Review of Fees. Send all invoices or receipts to the independent representative, detailing the amount of the fee, expenses or capital withdrawal and the method of calculation such that the independent representative can:
 - i. Determine that the payment is in accordance with the pooled investment vehicle standards (generally the partnership agreement or membership agreement); and
 - ii. Forward, to the qualified custodian, approval for payment of the invoice with a copy to the investment adviser.
- c. Notice of Safeguards. The investment adviser notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided above. Such notification is required to be given on Form ADV. Blackshield has contracted with Capital Management Administrative Services, LLC for such independent representative services (i.e., "gate keeper").

Item 16 Investment Discretion

Blackshield has discretionary authority to manage funds and securities on behalf of the Partnership as described in its Offering Documents. Blackshield Investments has discretionary authority to determine the broker to effect transactions for the Partnership.

Item 17 Voting Client Securities (Proxy Voting)

Blackshield will vote proxies for securities held in the Partnership's account pursuant to the Partnership's Limited Partnership Agreement. Pursuant to SEC Rule 206 4 -6 Blackshield has adopted a written policies and procedures that is reasonably designed to ensure that the Blackshield votes proxies in the best interest of the Partnership. Information regarding the Partnership's voting records may be obtained by contacting Blackshield.

Item 18 Financial Information

Blackshield neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure. Neither Blackshield nor Mr. Maksym Koretskiy has any financial condition that is likely to reasonably impair Blackshield's ability to meet contractual commitments to clients. Blackshield has not been the subject of a bankruptcy petition in the last ten years.