

**Linear B Partners, LP**

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This Brochure provides information about the qualifications and business practices of Linear B Partners, LP. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”) at (212) 918-0917 or at [David.Anzalone@linearbpartners.com](mailto:David.Anzalone@linearbpartners.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Additional information about Linear B also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

**Item 2: Material Changes**

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Since the last annual updating amendment, this Form ADV Part 2A Brochure was updated to reflect the appointment of David Anzalone as the Firm's Chief Compliance Officer in June 2023. There have been no other material updates to this form.

**Item 3: Table of Contents**

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Item 1: Cover Page .....	1
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 Allocations and Side-By-Side Management.....	5
Item 7: Types of Clients.....	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9: Disciplinary Information .....	17
Item 10: Other Financial Industry Activities and Affiliations.....	17
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
Item 12: Brokerage Practices .....	18
Item 13: Review of Accounts .....	18
Item 14: Client Referrals and Other Compensation .....	19
Item 15: Custody.....	19
Item 16: Investment Discretion .....	19
Item 17: Voting Client Securities.....	19
Item 18: Financial Information.....	20

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**Item 4: Advisory Business**

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Founded in 2021, Linear B Partners, LP (“**Linear B**,” “**Adviser**,” “**we**,” “**us**,” “**our**” or the “**Firm**”), is a Delaware limited liability company, owned by Michio Brunner and Patrick Gresens. Linear B provides discretionary investment advisory services to pooled investment vehicles (the “**Funds**”).

The Funds are managed in accordance with each Funds investment objectives, strategies, restrictions and guidelines, as described in their respective private placement memoranda (the “**PPM**”). Linear B does not tailor advisory services to the individual needs of investors in the Funds, and investors in the Funds may not impose restrictions on investing in certain securities and other financial instruments or certain types of securities and other financial instruments.

As of December 31, 2023, the Firm had approximately \$308,534,759 of regulatory assets under management.

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**Item 5: Fees and Compensation**

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The Firm generally receives management fees and performance fees (or allocations) in connection with the investment advisory services it provides to the Funds. Management fees and performance fees payable to Linear B by a Fund are established by Linear B at the time of the establishment of a Fund and may vary among each Fund or classes within a Fund. Specific details of such compensation and its method of calculation are set out in the investment management agreements and/or underlying governing documents (including offering materials) of the relevant Fund. Management fees are generally calculated and payable quarterly in advance based on a Fund’s assets on the first business day of such quarter, typically at annual rates ranging from up to 1.75%. Performance fees and allocations are generally calculated and payable or reallocated annually, typically in an amount up to 20% of the cumulative net profit of an account during the relevant year reduced by a loss recovery account balance, if any. Management fees and performance fees are deducted from each Fund’s assets and are not billed separately.

The amount and method of the calculation of a performance fee or allocation, and of a management fee, may be changed by Linear B, or the applicable board of directors or general partner(s) of a Fund, at any time with the consent of the Fund’s investors or limited partners. Linear B, or the applicable board of directors or general partner(s) of a Fund, may waive, reduce or calculate differently the management fee or performance fee or allocation applicable to any investor without the consent of, or notice to, any other investor.

In our discretion, fees and allocations may be subject to individual negotiation.

In addition to a management fee and performance fee or allocation, a Fund will bear its own expenses as disclosed in the respective Fund’s offering documents. For Funds in a master-feeder structure, a feeder fund will also bear its applicable share of these expenses as an investor in the master fund. These expenses will include expenses incurred directly or indirectly by the Fund as well as expenses that are incurred by the Fund’s general partner or board of directors, Linear B or any of their affiliates, which expenses, in the sole discretion of the general partner or board of directors, are allocable to, or associated with, the activities of the Fund. These expenses are discussed below.

The following expenses are paid by the Funds and allocated to the Funds or in unusual circumstances by the Funds and shall include, but are not limited to: the Management Fee; Fund legal, risk management expenses (including software licensing, data, and consultants' fees), administrator (including, but not limited to, middle and back office services and software necessary for trade capture and portfolio management), audit and tax preparation (including third-party tax preparation) and accounting expenses (including third party accounting services and accounting software); Organizational Expenses (as defined below); execution and order management system fees and expenses; investment expenses such as commissions, research fees and expenses (including Bloomberg and similar subscriptions and data services and research-related travel (including lodging)); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; Fund-related insurance costs (including D&O and E&O insurance for the Firm and the General Partner and members of the Governance Committee); independent Master Fund Governance Committee members' fees and expenses; expenses of regulatory compliance (including compliance with AIFMD and AEOI), filings and reporting (including but not limited to Section 13, Section 16 and Form PF filings); Directors' fees; pricing service fees; portfolio valuation expenses (including data feeds and third-party valuation agents); and any other expenses related to the purchase, sale or transmittal of Fund assets.

The organizational expenses of the Fund (including expenses of the initial offer and sale of Common Shares) (the "Organizational Expenses") are paid by the Fund. Organizational Expenses, for net asset value purposes and in the sole discretion of the Firm, may be amortized over a period of up to 60 months from the date the Fund commences operations, although, if the Fund deems it appropriate, such amounts may be accelerated.

#### **Item 6: Performance-Based Allocations and Side-By-Side Management**

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Linear B will receive annual performance fees (or allocations) from the Funds it manages. These performance fees, as noted above in "Fees and Compensation," may range from 17.5% to 20% of the cumulative net profit of an account during the relevant year reduced by a loss recovery account balance, if any. Linear B, or the applicable board of directors or general partner(s) of a Fund, may waive, reduce or calculate differently the performance fee or allocation with respect to any investor, including principals, shareholders and employees of Linear B, a general partner of a Fund or other affiliates.

Linear B will face a conflict of interest to the extent that it manages a Fund for which it receives a performance fee at the same time as it manages one or more other Funds for which it receives no performance fee or a different level of performance fee. A performance fee arrangement generally entitles an investment adviser to additional compensation based on the performance of the Fund bearing the performance fee. Linear B may have an incentive to favor Funds or take increased investment risk on behalf of Funds for which it receives a larger performance fee because it could receive greater compensation from such Funds. In addition, due to the method of calculating the performance fees, such fees may be affected by factors within Linear B's control.

Linear B has put into place policies and procedures to mitigate the risk of these conflicts of interest and will at all times allocate trades and securities to the Funds in a fair and equitable manner. In addition, each Fund's financial statements, which are used as the basis upon which the

performance fee is calculated, will be reported in conformity with GAAP and generally requires the fair valuation of investments.

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**Item 7: Types of Clients**

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Linear B will provide investment advisory services, as described above in response to Item 4, to the Funds. Each Fund will not be registered or be required to be registered under the 1940 Act. The securities of each Fund will not be registered or be required to be registered under the 1933 Act and will be privately placed to qualified investors in the United States and elsewhere.

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

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The Firm believes various persistent and temporary structural inefficiencies in global credit markets create specialized opportunities to provide tactical investor capital in return for attractive risk/reward investment profiles. On behalf of the Funds, the Firm seeks to consistently capitalize upon and create these profiles by engaging with global banks and trading partners. The Firm deploys capital utilizing a market-neutral approach, applying trade-level structuring and quantitative methods, combined with deep fundamental analysis. The Fund's objective is to construct the highest return profile possible within an opportunity set while seeking to minimize downside risk through disciplined risk management. The portfolio is expected to be highly diversified, utilizing long and short positions across credit sectors, ratings, geographies, and instruments.

**Flexibility**

The Firm intends to pursue the investment strategy described above as long as such strategy is in accordance with the Fund's investment objective. In addition, it may also formulate and implement new approaches to carry out the investment objective of the Fund.

While it is anticipated that the Funds will invest primarily in global credit and structured-credit, asset-backed securities, equities and equity-related securities, the Funds have broad and flexible investment authority. Accordingly, the Fund's investments may at any time include, without limitation, long or short positions in U.S. or non-U.S. publicly-traded or privately issued common stocks, preferred stocks, stock warrants and rights, convertible securities, restricted securities, futures, swaps (including credit default swaps and total rate of return swaps), "custom baskets", options (purchased or written), bonds and other fixed-income securities, partnership interests and other securities or financial instruments including those of investment companies. The Fund may also purchase put and call options, write uncovered put and call options and invest in bonds or other fixed income securities, when deemed appropriate by the Firm. In addition, the Fund may invest in spot foreign exchange, foreign exchange deliverable and non-deliverable forward contracts, commodity investments, derivatives and other "over-the-counter" instruments. While the Fund's portfolio is generally expected to be comprised of relatively liquid securities, the Fund (through its investment in the Master Fund) may, at times, invest in securities which are not readily marketable, including private and over-the-counter securities.

Investors should note that the foregoing is not intended to be an exhaustive description of the relevant investment strategies nor a complete list of all investment strategies that may be employed by Linear B.

Linear B cannot assure any of its investors that its investment objective will be achieved or that losses on investments will be avoided. Investing in securities involves a risk of loss that investors should be prepared to bear.

***Material Risk Factors***

The following are material risks involved in Linear B's investment strategy. This list does not purport to be a complete enumeration or explanation of the risks involved in such strategy.

***Nature of Investments***

The Firm has broad discretion in making investments for the Fund. Investments will generally consist of global credit and structured-credit, asset-backed securities, equities, equity-related securities, options, commodity instruments and derivatives and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Firm will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of its investments. In addition, the value of the Fund's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Fund's investment objective will be achieved.

***Structured Credit***

The Fund may invest in collateralized loan obligations ("CLOs"), which involve the securitization of leveraged loans. CLOs are limited recourse obligations of the issuer payable solely from the cashflow obligations of the corporate issuer that represent the underlying assets. Consequently, holders of the notes must rely solely on distributions of cashflows for the payment of principal and interest on their particular notes. If distributions of cashflows are insufficient to make full payment on a particular note, no other assets are available from which to pay any deficiencies.

The Fund's portfolio may include investments in collateralized debt obligations ("CDOs"), which are generally limited recourse obligations of the issuer payable solely from the underlying assets ("CDO Assets") of the issuer. Consequently, holders of interests in CDOs must rely solely on distributions on the CDO Assets or proceeds from such assets for payment. In addition, interest payments on CDOs (other than the most senior tranche or tranches of a given issue) are generally subject to deferral. If distributions on the CDO Assets (or, in the case of market value CDOs, proceeds from the sale of the CDO Assets) are insufficient to make payments on the CDOs, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of the issuer of the related CDO to pay such deficiency will be extinguished. Certain classes of debt and equity in CDOs (particularly subordinated classes) may provide that to the extent funds are not available to pay interest, such interest will be deferred or paid "in kind" and added to the outstanding principal balance of the related security. Generally, the failure by the issuer of a CDO to pay interest in cash does not constitute an event of default as long as a more senior class of securities of such issuer is outstanding and the holders of the

securities that have failed to pay interest in cash (including the Fund) will not have available to them any associated default remedies.

#### *Credit Default Swap Agreements*

The Fund may utilize credit default swaps. The buyer of a credit default contract is obligated to pay the seller either a lump sum payment or a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation or entity. Generally, a credit event means bankruptcy, failure to pay, cross default/acceleration, obligation acceleration, repudiation/moratorium, restructuring, or rating decline. The Fund may be either the buyer or seller in a transaction. If the Fund is a buyer and no credit event occurs, the Fund will have made fixed payments and received nothing. However, if a credit event occurs, the Fund, as a buyer, typically will receive full notional value for a reference obligation that may have little or no value. As a seller, the Fund receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligation which may have little or no value.

In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. Swap contracts are not traded on exchanges and are not otherwise regulated, and as a consequence investors in such contracts do not benefit from regulatory protections. The selling of credit default swaps involves greater risks than if the Fund had invested in the reference obligation directly. If a credit event were to occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value. The buyer of credit default swaps will incur a loss if the seller fails to perform on its obligation should a credit event occur. In certain circumstances, the buyer can receive the notional value of a credit default swap only by delivering a physical security to the seller, and is at risk if deliverable security is unavailable or illiquid.

#### *Total Rate of Return Swaps*

Under a total rate of return swap, the Fund may be obligated to make certain periodic payments in exchange for the total rate of return on a referenced asset, such as an eligible loan or bond, and such return will include interest and the gain or loss on such asset over the term of the swap. Swap facilities often require covenants or qualifications related to referenced assets, including, but not limited to, covenants or qualifications regarding ratings and liquidity of a referenced asset or the diversification of a portfolio as a whole. The Fund may be required to maintain collateral with the total rate of return swap counterparty. If the Fund fails to fulfill its payment obligations or fails to post any required collateral under a total rate of return swap or if the Fund has a substantial decline in net asset value, the counterparty may declare an event of default and, as a result, the Fund may be required to pay swap breakage fees, suffer the loss of the amounts paid to the counterparty and forego the receipt from the counterparty of further total return swap payments.



*Credit Correlation Trading Risks*

The Fund may participate in certain tranches of structured credit portfolios in order to generate high current yields with positive credit optionality, seeking to extract additional value from credit market volatility.

Portfolios of credits may be structured to generate various investable assets with particular yields and credit ratings. This activity responds to the investment preferences of certain classes of ratings-driven investors. The portfolio managers may seek to structure investments in certain tranches that will provide current yield to the portfolio, offer benefits from large correlated moves in portfolios of credits, and isolate other arbitrage opportunities.

The portfolio managers may employ various credit strategies, including without limitation credit derivative indices, individually tailored baskets of credit derivatives, tranches of credit derivative indices and baskets, and other credit-related products, structures, and vehicles.

Credit correlation strategies are exposed to certain assumptions and outcomes. Among them are the probability as well as the timing of individual defaults in diversified credit portfolios and the anticipated levels of correlation among credit spread movements and of defaults within structured credit portfolios. Trade structures may be determined, among other factors, by the portfolio managers' outlook for individual credits in the underlying portfolios, for changes in implied correlation levels, and for technical market factors (including supply of, and demand for, structured credit), as well as by the portfolio managers' specific credit opinions and by the extent to which the portfolio managers expect to benefit from future unexpected credit events.

*Investment Grade Loans and Bonds*

The Fund may invest in investment grade loans and bonds. Investment grade securities typically do not contain significant covenants or other restrictions on the ability of the issuers to engage in certain activities which can lead to deterioration in their credit quality. Such activities can include the declaration of dividends, the spin-off of substantial corporate assets, increases in corporate leverage for any purpose and engaging in mergers and acquisitions, whether as a buyer or a seller. Such activities can lead to sudden changes in the credit profile of such issuers and consequently to downgrades of their credit ratings. In addition, a deterioration of an issuer's operating performance, competitive position or outlook for any reason can also lead to negative rating agency actions. These factors and others can ultimately lead to reduced prices for an issuer's securities in the markets and losses for the Fund.

*High Yield Loans and Bonds*

The Fund may invest in high yield loans and bonds and preferred securities that are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's ability to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities

may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold.

#### *Interest Rate Risk*

The Fund is subject to interest rate risk. Generally, the value of fixed rate debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Further, bank loans typically have floating interest rates that are based on spreads above LIBOR (or a similar benchmark). Accordingly, fluctuations in such benchmarks may affect the value of such loans.

#### *Credit Risk of Futures Commission Merchants, Prime Brokers and Dealers*

The Fund assumes the credit risk associated with placing its cash, margin, collateral and other securities with its futures commission merchants, Prime Broker, dealers and various other counterparties, and the failure or bankruptcy of any of these futures commission merchant, Prime Broker, dealer or other counterparty could have a material adverse impact on the Fund. Under the Commodity Exchange Act, futures commission merchants are generally required to maintain customers' U.S. assets in segregated accounts. To the extent that the Fund engages in futures contract trading and the futures commission merchants with whom the fund maintains accounts fail to so segregate the Fund's assets, the Fund is subject to a risk of loss in the event of the bankruptcy of any of its futures commission merchants. In certain circumstances, the Fund might be able to recover, even with respect to property specifically traceable to the Fund, only a pro rata share of all property available for distribution to a bankrupt futures commission merchant's customers. In addition, while the provisions of the Commodity Exchange Act are intended to afford the customers certain protections, these provisions, even if met by futures commission merchants, may not actually provide these protections. Finally, cash, margin, collateral, and other securities held outside of the U.S. are not afforded protections under U.S. law and distributions upon bankruptcy may be unpredictable.

#### *Equity-Related Instruments in General*

The Firm may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

#### *Short Sales*

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Fund's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

*Options*

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Additionally, the premium paid for an option is based, in part, on the time to expiration, and with the passage of time, the premium associated with an option declines, assuming all other factors being equal. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

*Fixed Income Securities*

The Fund may invest in fixed income securities and other debt securities. Certain of these securities may be unrated by a recognized credit-rating agency or below investment grade, which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Accordingly, these securities tend to be more sensitive to economic conditions and tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which primarily react to fluctuations in the general level of interest rates. Issuers of lower-rated debt securities are often highly-leveraged and may not have access to more traditional methods of financing. Furthermore, trading in these types of securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. Moreover, it is likely that an economic downturn could affect the ability of the issuers to repay principal and pay interest thereon resulting in a high potential of default.

Additionally, the Fund may invest in debt securities that rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Fund will therefore be subject to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. Investment in a debt instrument will normally involve the assumption of interest rate risk.

*Exchange-Traded Funds*

The Fund may invest in shares of exchange-traded funds ("ETFs"), including for hedging purposes. As an investor in ETFs, the Fund will bear its ratable share of various fees, allocations, and expenses of the ETF, all of which are embedded in the net asset value of the ETF. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which are designed to generally correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their

underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of their expenses and other factors. It should also be noted that the Investment Company Act of 1940, as amended, places certain restrictions on the percentage of ownership that a private investment fund may have in a registered investment company (an ETF is a registered investment company).

#### *Options on Stock and Bond Indexes*

The Fund may purchase put and call options on global equity, commodity and fixed income indices and securities to hedge against risks of market-wide price movements affecting its assets. An index measures the movement of a certain group of assets by assigning relative values to the assets included in the index. Options on an index are similar to options on securities. Because no underlying security can be delivered, however, the option represents the holder's right to obtain from the writer, in cash, a fixed multiple of the amount by which the exercise price exceeds (in the case of a put) or is less than (in the case of a call) the closing value of the underlying index on the exercise date. The advisability of using stock or bond index options to hedge against the risk of market-wide movements will depend on the extent of diversification of the Fund's investments and the sensitivity of its investments to factors influencing the underlying index. The effectiveness of purchasing or writing index options as a hedging technique will depend upon the extent to which price movements in the Fund's investments correlate with price movements in the index selected. In addition, successful use by the Fund of options on indices will be subject to the ability of the Manager to predict correctly changes in the relationship of the underlying index to the Fund's portfolio holdings. No assurance can be given that the Manager's judgment in this respect will be correct.

#### *Use of Leverage*

As noted in Section 4 above, the Fund may utilize leverage. This results in the Fund controlling substantially more assets than the Fund has equity. Leverage increases the Fund's returns if the Fund earns a greater return on investments purchased with borrowed funds than the Fund's cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Firm may find it difficult or impossible to obtain leverage for the Fund. In such event, the Fund could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Firm being forced to unwind the Fund's positions quickly and at prices below what the Firm deems to be fair value for such positions.

*Hedging Transactions*

The Fund may utilize a variety of financial instruments such as derivatives, options, swaps, caps and floors, forward contracts for both risk management and general investment and speculation purposes. With respect to the Fund's risk management and hedging transactions, there can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly. Further, while the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Fund than if it did not engage in any such hedging transactions. In addition, the Fund may choose not to enter into hedging transactions with respect to some or all of its positions.

*Portfolio Turnover*

The investment strategy of the Fund may require the Firm to actively trade the Fund's portfolio, and as a result, turnover and brokerage commission expenses of the Fund may significantly exceed those of other investment entities of comparable size.

*Non-Diversification*

While the Fund's portfolio generally will generally diversified, the Fund's structured credit investments will be relatively concentrated with respect to obligors. The Firm anticipates that the Fund will primarily invest in issuers located in the United States and other fully-developed economies (as judged by the Firm). While the Firm intends to avoid excessive concentration of net exposure in individual industries or geographies on behalf of the Fund, the Fund's portfolio could become relatively concentrated in any one issuer, market capitalization, industry, type of security and geographic area, and such concentration may increase the losses suffered by the Fund as the investment portfolio of the Fund may be subject to more rapid change in value than would be the case if the Fund were required to maintain a wider diversification among issuers, market capitalizations, industries, types of securities and geographic areas.

*Non-U.S. Securities*

The Fund may invest outside of the United States. Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies and utilization of options and swaps on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

*Counterparty Risk*

To the extent that the Fund invests in swaps, "synthetic" or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Fund takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the

counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

#### *Currency Risks*

The Fund may have exposure to fluctuations in currency exchange rates. It may, in part, seek to offset the risks associated with this exposure or enter into foreign exchange transactions to increase its returns. These transactions involve a significant degree of risk and foreign exchange markets are volatile, specialized and technical. Significant changes, including changes in liquidity and prices, can occur in these markets within very short periods of time. Changes in exchange rates over time are the result of many factors directly or indirectly affecting the economic and political conditions in the country or economic region associated with a specific currency. Exchange rates fluctuate for a number of reasons, including:

- 1 existing and expected rates of inflation,
- 2 existing and expected interest rate levels,
- 3 the balance of payments between the relevant country and its major trading partners,
- 4 political, civil or military unrest in the relevant country or economic region; and
- 5 monetary, fiscal and trade policies of the relevant country or economic region (including pegging, de-pegging, flooring or capping an exchange rate relative to another currency).

Governments use a variety of techniques, such as intervention by their central banks or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Foreign exchange rates can either be fixed by sovereign governments or floating. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the value of other currencies. However, governments do not always allow their currencies to float freely in response to economic forces. Governments use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the trading value of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. The value of the Fund could be affected by the actions of sovereign governments, which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces and the movement of currencies across borders. Additionally, market perceptions of the relative strength or cohesion of a specific political state or monetary union can dramatically affect the value of a currency. Fluctuations in exchange rates may negative impact the value of an investment in the Fund to the extent the Fund has currency exposure in the form of a hedge, a non-U.S. dollar denominated instrument or as a standalone position.

*Cyber Security Breaches and Identity Theft*

The Firm's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm and/or the Funds may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's and/or the Fund's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Firm's and/or the Fund's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

*Brokerage and Custodial Risk*

There are risks involved in dealing with the custodians or prime brokers who settle Fund trades. The Fund maintains a custody account with its prime broker and primary custodian, JPMorgan Chase & Co. (the "Prime Broker"). Although the General Partner monitors the Prime Broker and believes that they are appropriate custodians, there is no guarantee that the Prime Broker, or any other custodian that the Fund may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Fund assets, the Fund would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

*Less Liquid Securities*

While the Fund's portfolio is generally expected to be comprised of relatively liquid securities, the Fund may, at times, invest in less liquid securities, including certain illiquid privately offered securities. The Firm may find it more difficult to readily dispose of these investments in the ordinary course of business. In addition, some of these investments may not have an established trading market. In the absence of an established trading market, the Fund will, in accordance with its valuation policies then in effect, value such investments in good faith at each time the Fund's net asset value ("NAV") is determined. Accordingly, the NAV of the Fund may be based in part on the valuations placed on assets by the Firm (in consultation with the Governance Committee) without reference to an established trading market for such investments. It should, however, be noted that no more than 5% of the Fund's portfolio (measured at cost at time of investment) will be invested in illiquid private securities at any given time.

*No Operating History*

Each of the Firm and the Funds is a newly formed entity and has no operating history upon which investors can evaluate its likely performance. Accordingly, an investment in the Fund entails a significant degree of risk.



*Reliance on Mr. Brunner*

The Fund relies heavily on the services of Michio Brunner. Mr. Brunner is solely responsible for the investment decisions made with respect to the Fund. Should Mr. Brunner determine to discontinue managing the affairs of, or withdraw from, the Firm or should Mr. Brunner die, be incapacitated or, for some other reason, be unable to effectively manage the affairs of the Firm, the business and results of the operations of the Fund may be adversely affected and a Shareholder's redemption terms may be altered (as described in Section 12 - "Redemptions – Special Redemption Rights").

*Strategic Investor*

As described above in Section 6, the General Partner, the Firm and the Fund have entered into a Strategic Relationship Agreement with the Strategic Investor, whereby the Strategic Investor will have, in addition to other rights, access to information regarding the Fund that is not available to other investors in the Fund. The Strategic Investor will have no obligation to disclose such information to other investors or to use such information for the benefit of the Fund. Because the Strategic Investor's investment in the Fund will, at least initially, constitute a substantial portion of the Fund's capital, any redemption by the Strategic Investor may have an adverse effect on the Fund and may make it more difficult for the Firm to execute the Fund's investment strategy since the Fund will be operating with a smaller asset base.

*Effects of Health Crises and Other Catastrophic Events*

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on clients' investments and the Firm's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for client portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Firm and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

*Force Majeure*

The Firm's strategy and investments on behalf of its Clients may be affected by force majeure events (i.e., events beyond the Firm's control, including acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). Certain force majeure events (such as war or an outbreak of an infectious disease that becomes a global pandemic) could have a broader negative impact on the world economy and international business activity generally. While the Firm has policies and procedures to address known situations, such events may materially and adversely impact the value and performance of the Clients, their ability to source, manage and divest investments and their ability to achieve their investment objectives. In addition, the operations of the Clients and



their respective general partners and managers may be significantly impacted, or even temporarily or permanently halted, as a result of required office closures, government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to the force majeure event. Any one or any combination of the foregoing may therefore adversely affect performance.

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**Item 9: Disciplinary Information**

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Linear B has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

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**Item 10: Other Financial Industry Activities and Affiliations**

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Linear B is registered as a commodity pool operator with the Commodity Future Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA"). In connection with the Firm's registration as a commodity pool operator, certain of the Firm's employees are registered with the NFA as principals and associated persons of the Firm.

As described above, Linear B will serve as the investment adviser to the Funds. Entities that serve as general partners to the Funds organized as limited partnerships are affiliated with Linear B.

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

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***Participation or Interest in Client Transactions***

Employees, affiliates of the employees, and relatives of the employees may make investments in the Funds. Linear B may or may not receive any compensation from such investments from employees.

Linear B and its affiliates and employees have a financial interest in the Funds through a performance allocation or a direct investment interest in the Funds. As such, Linear B could be considered to have recommended to investors that they buy or sell securities or investments in which the applicant or a related person has some financial interest.

***Code of Ethics and Employee Investment Policy***

We have adopted a Code of Ethics and Employee Investment Policy that establish various procedures with respect to conflicts of interest including investment transactions in accounts in which employees of Linear B or related persons have a beneficial interest or accounts over which an employee has investment discretion.

In general, employees (and members of their immediate households) are prohibited from trading in any single-name equity security. Employees may request to sell such positions held prior to employment with pre-approval from the CCO. In addition, employees may not acquire securities for their own account in an initial public offering without the consent of the CCO. Employees must

also obtain pre-approval from the CCO before engaging in any outside business activities or investing in private placements.

All Linear B employees must direct their brokers to send duplicate copies of brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

Linear B's Code of Ethics is available to Clients upon request.

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**Item 12: Brokerage Practices**

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In selecting brokers for execution we assess the reasonableness of their compensation and commissions charged based on the range and quality of a broker's services including execution capability, trading expertise, accuracy of execution, commission rates, research, reputation and integrity, fairness in resolving disputes, financial responsibility, responsiveness, and the availability of securities.

In selecting a broker-dealer to execute transactions and determining the reasonableness of the broker dealer's compensation, Linear B need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Linear B's practice to negotiate "execution only" commission rates, thus a Fund may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

We may from time to time speak at conferences and programs for investors interested in investing in hedge funds which are sponsored by prime brokers. These conferences and programs may be a means by which we can be introduced to potential investors or clients. Prime brokers generally are not compensated for providing such "capital introduction" opportunities. In addition, prime brokers may provide financing and other services to the Funds. Linear B may place portfolio transactions for the Funds with such firms, if Linear B determines that it is otherwise consistent with seeking best execution. In no event will we select a broker-dealer as a means of remuneration for recommending Linear B or any Fund for affording us with the opportunity to participate in capital introduction programs.

Linear B may use "soft dollars" generated through brokerage transactions for research, brokerage and research-related products and services. Such use falls within the safe harbour provided under Section 28(e) of the Securities Exchange Act of 1934, as amended.

We may aggregate trades for multiple Funds. Upon execution of an aggregated trade for multiple accounts, the shares of the trade will be allocated amongst the multiple participating Fund accounts at an average price to the extent appropriate or practicable.

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**Item 13: Review of Accounts**

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Michio Brunner is responsible for reviewing each Fund's portfolio on a regular basis. Mr. Brunner founded and controls Linear B and serves as the Chief Investment Officer. Mr. Brunner reviews potential investments and approves all investments made by the Funds. Mr. Brunner, other senior management at Linear B, and/or other supervisory personnel are responsible for reviewing

documents relating to the investment process, trade data, and other reports on a regular basis and for overseeing investment activity.

The Funds will provide to investors (1) annual audited financial statements within one hundred twenty (120) days of the end of the Fund's fiscal year or as soon thereafter as is reasonably practicable, (2) unaudited monthly account balances and performance reports and (3) information necessary for investors to complete U.S. Federal, state and local income tax returns.

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**Item 14: Client Referrals and Other Compensation**

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We do not currently compensate, either directly or indirectly, persons for client referrals or referrals of investors in the Funds.

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**Item 15: Custody**

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Linear B is deemed to have custody, as defined in Rule 206(4)-2 under the Advisers Act, of funds or securities of a Fund. Linear B will rely on the "audit exemption" under Rule 206(4)-2(b)(4) under the Advisers Act, which exempts an adviser to a limited partnership, limited liability company or other pooled investment vehicle from the requirement to deliver account statements to its clients if the adviser requires the vehicle to be audited annually by an independent public accountant that is registered with the Public Company Accounting Oversight Board and distributes the audited financial statements annually to the investors in the vehicle.

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**Item 16: Investment Discretion**

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Linear B has discretionary authority to manage the investment accounts of each Fund under the governing documents of the Fund and/or relevant investment management agreements, which customarily do not place limitations on Linear B's authority to manage the Fund. The authority is given to Linear B through each Fund's governing documents and/or relevant investment management agreements and may include a power of attorney and appointment for Linear B to act as an agent for the Funds.

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**Item 17: Voting Client Securities**

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Linear B generally has the authority to vote client securities. In accordance with Rule 206(4)-6 under the Advisers Act, Linear B has adopted and implemented written policies and procedures for voting client proxies it receives. Linear B's general policy is to vote or abstain from voting proxy proposals, amendments, consents, or resolutions related to client portfolio securities (collectively, "proxies"), in a manner that serves the best interests of its Funds. Clients cannot direct Linear B's vote in a particular solicitation. In the event of a conflict of interest between Linear B and our clients, Linear B will vote proxies in the best interest of our clients.

Linear B will maintain records for each matter relating to a portfolio security with respect to which a Fund was entitled to vote.

A copy of Linear B's proxy voting policies and its voting record will be provided to clients upon request.

**Item 18: Financial Information**

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Linear B has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Funds, and has not been the subject of a bankruptcy proceeding.