

Grandmaster Capital Management LLC

Part 2A of Form ADV

The Brochure

456 Montgomery Street, Suite 1350
San Francisco, CA 94104
415.230.2050
www.grandmastercap.com

Updated: March 2012

This brochure provides information about the qualifications and business practices of Grandmaster Capital Management LLC (“Grandmaster”). Grandmaster is registered with the United States Securities and Exchange Commission (“SEC”) as an investment adviser. That registration does not imply a certain level of skill and training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. If you have any questions about the contents of this brochure, please contact us at 415.230.2050.

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

Item 2 - Material Changes

Grandmaster's prior version of Part 2 of Form ADV was available as of March 2011. Grandmaster's business activities have not changed materially since January 2011. However, in 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. Additionally, Grandmaster recently updated its Code of Ethics and its policies and procedures related to proxy voting. This brochure reflects those changes.

Item 3 - Table of Contents

Item 2 - Material Changes	i
Item 3 - Table of Contents.....	iii
Item 4 - Advisory Business	1
Item 5 - Fees and Compensation	1
Item 6 - Performance Based Fees and Side-by-Side Management	3
Item 7 - Types of Clients	33
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	33
Item 9 - Disciplinary Information	54
Item 10 - Other Financial Industry Activities and Affiliations	5
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	55
Item 12 - Brokerage Practices	66
Item 13 - Review of Accounts	8
Item 14 - Client Referrals and Other Compensation	88
Item 15 - Custody.....	88
Item 16 - Investment Discretion.....	88
Item 17 - Voting Client Securities	98
Item 18 - Financial Information.....	99
Item 19 – Requirements for State-Registered Advisers.....	99

Item 4 - Advisory Business

Grandmaster was formed as a Delaware limited liability company in 2010 by its managing member and majority owner Patrick Wolff. Grandmaster is the investment manager of Grandmaster Capital Fund, LLC, a Delaware limited liability company (the “US Fund”), Grandmaster Capital Fund Limited, a British Virgin Islands business company (the “Offshore Fund”) and Grandmaster Capital Fund, L.P., a British Virgin Islands international limited partnership (the “Master Fund”), (collectively the “Funds”). The US Fund and the Offshore Fund are feeder funds that invest substantially all of their investable assets into the Master Fund. Grandmaster is also the managing member of the US Fund and the general partner of the Master Fund.

Grandmaster primarily provides discretionary investment advisory services to the Funds with the goal of achieving attractive risk-adjusted total return by investing both long and short, primarily in equity securities and related derivative instruments. Currently, the Funds are Grandmaster’s only clients.

Grandmaster tailors its advisory services by constructing portfolios that seek to meet the investment objectives, guidelines and other terms of each particular Fund it manages. Grandmaster generally manages the Funds by following a strategy succinctly defined as “macro-informed long/short equity.” The primary strategy will be to take long and short positions in publicly traded equity and related securities. See “Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss” below for more detail.

The Funds may impose limits on or expand the universe of securities or other instruments in which they may invest. Grandmaster has complete discretion over investment decisions for the Funds, and investors generally have no authority to change a Fund’s investment objectives or limitations. Investors have no right to remove or replace Grandmaster.

Grandmaster does not participate in wrap fee programs.

As of March 2012, Grandmaster manages approximately \$104,000,000 of regulatory assets on a discretionary basis. Grandmaster does not provide non-discretionary investment advice.

Item 5 - Fees and Compensation

Grandmaster generally receives an annual asset-based “management fee” in relation to the Master Fund (generally 1% or 2% *per annum* of the value of portfolio assets under management, depending upon the class of share or interest held by the investor), which is deducted from the Master Fund’s account and is paid to Grandmaster by the Master Fund. The management fee is calculated and paid monthly in advance based on the value of the Master Fund’s assets as of the beginning of the relevant calendar month.

In addition, Grandmaster is entitled to a special allocation of profits experienced by the Master Fund (also referred to as an “incentive allocation”). The incentive allocation is calculated and deducted from the Master Fund’s account annually, generally in an amount equal to 20% of the profits (realized and unrealized), if any, from the performance of the Master Fund. Payment of the incentive allocation is subject to a “high water mark” (i.e., paid only after losses, if any, have been recovered).

The special profit allocations described above are intended to satisfy the requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended. The incentive allocation is generally calculated and made as of each December 31 and as of the date of any withdrawal from the Master Fund, but only in proportion to such withdrawal.

Investors in the US Fund and the Offshore Fund generally may redeem capital on the last day of any fiscal quarter on 30 days written notice and subject to certain dollar limitations and a payment schedule. Certain classes of shares are subject to a redemption charge if they are redeemed within the first three years of an investor's investment. Potential US Fund and Offshore Fund investors may read the redemption provisions specific to the US Fund and Offshore Fund in the relevant confidential offering memorandum.

Fees and other compensation are negotiable in certain circumstances and arrangements with any particular client or investor may vary. Although Grandmaster believes its fees are competitive, lower fees for comparable services may be available from other investment advisers. In addition to a pro rata share of Grandmaster's management fee and incentive allocation, the US Fund and Offshore Fund also bear all expenses incurred in connection with their operation and administration, including a pro rata share of expenses associated with the Master Fund. These expenses include, among other things, fees of the administrator; legal, accounting and audit fees and expenses; governmental fees and taxes; bookkeeping and other professional fees; directors' fees; costs of investor meetings and other communications with investors; and all other reasonable costs related to the management and operation of the US Fund and Offshore Fund, as applicable. In the case of the Master Fund, these expenses include, among other things, fees of the administrator; legal, accounting and audit fees and expenses; governmental fees and taxes; bookkeeping and other professional fees; as well as investment-related expenses such as brokerage commissions; interest on margin and other borrowings; borrowing charges on securities sold short; custodial fees; investment-related travel expenses, and research and other due diligence expenses of Grandmaster; and all other reasonable costs related to the management and operation of the Master Fund or the purchase, sale or transmittal of its assets.

Please see "Brokerage Practices" in this brochure for further information on brokerage practices and arrangements that may relieve Grandmaster from certain costs and expenses.

The Master Fund pays the management fee in advance (i.e., based on the Master Fund's assets at the beginning of the month for advisory services rendered during that period). If the Master Fund terminates Grandmaster's services or if an investor redeems some or all of its shares from the US Fund or the Offshore Fund intra-month, Grandmaster will refund the unearned portion of the management fee it received in advance from the Master Fund, which will be calculated based on the number of days remaining in such month.

Grandmaster does not accept commissions or other compensation for the sale of securities or other investment products. However, Grandmaster does pay one of its supervised person's compensation that is, in part, based on the supervised person's fund raising efforts. This practice could present a potential conflict of interest by giving the supervised person an incentive to recommend US Fund or Offshore Fund shares based on the potential to receive compensation from raised funds, rather than on an investor's needs. Grandmaster has attempted to mitigate any such potential conflict of interest

by structuring the supervised person's compensation such that it is primarily based on the tenure of the assets and performance of the assets raised, thereby aligning the supervised person's interests with the investors' interests.

Item 6 - Performance Based Fees and Side-by-Side Management

As discussed above under "Fees and Compensation," in connection with the Master Fund, Grandmaster has the right to receive an incentive allocation and a management fee. Grandmaster currently does not have any clients other than the Funds. Currently, Grandmaster does not face any conflicts of interest associated with differing fee arrangements among clients. It may, however, advise additional funds or clients in the future. If and when it does, Grandmaster's compensation arrangement with the Master Fund may differ from that of the other funds or clients. As a result of such differences in compensation arrangements, Grandmaster may, at that time, face a conflict of interest in managing the various accounts. Grandmaster will address any such conflict of interest at that time.

Item 7 - Types of Clients

Grandmaster's current clients are the Funds. See "Advisory Business" above. Potential investors may read the eligibility criteria and minimum investment requirements specific to the US Fund and the Offshore Fund in the relevant confidential offering memorandum and subscription application. The Funds generally require a minimum initial investment of \$1,000,000.

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

The investment objective of the US Fund and the Offshore Fund is to maximize the total return. The US Fund and the Offshore Fund will pursue this investment objective by investing substantially all of their investable assets into the Master Fund. The Master Fund's investment objective is to achieve attractive risk-adjusted total return.

The Master Fund has complete flexibility to invest in a wide range of investments including, but not limited to, listed equity securities, listed and unlisted debt securities (which may be related or unrelated to the equity securities), other collective investment schemes, currencies, commodities and options, futures, warrants, and other derivative instruments. Derivatives instruments may be exchange-traded or over-the-counter. The Master Fund may invest in derivatives for investment or hedging purposes.

The Master Fund aims to provide an attractive risk-adjusted total return to investors by investing both long and short, primarily in equity securities and related derivative instruments. The strategy is succinctly defined as "macro-informed long/short equity." The primary strategy will be to take long and short positions in publicly traded equity and related securities. Grandmaster may focus on the United States markets, but may take positions in securities listed around the world as opportunities arise. Grandmaster believes that traditional bottom-up analysis benefits greatly from a sophisticated understanding of the macro, and will therefore employ both bottom-up and top-down fundamental analysis in security selection and trading. Grandmaster expects to maintain a reasonably liquid portfolio. At times, the fundamental macro analysis may uncover opportunities that are best expressed using instruments other than publicly listed equities; to capitalize on such opportunities the

Master Fund may take positions using exchange-traded futures or “plain vanilla” swaps, forwards or options. Grandmaster does not contemplate trading exotic, illiquid or hard to value instruments. Grandmaster generally expects to maintain a net long position in the Master Fund but at any time the Master Fund may be net short or market neutral.

The Master Fund may borrow money and employ leverage in connection with its investment strategy and, in limited circumstances, to pay for Master Fund expenses.

While leverage presents opportunities for increasing the Funds’ total return, it has the effect of potentially increasing losses as well. Investors should fully understand the risks associated with the use of leverage before investing in the US Fund or the Offshore Fund.

Grandmaster may, from time to time and under circumstances it deems necessary or appropriate, attempt to hedge certain risks of the Master Fund’s portfolio. Such periodic hedging activity may be directed to some or all of the aggregate portfolio risks or specific risks within the Master Fund’s portfolio. In connection with effecting such risk management, the Master Fund may purchase, sell, or sell short securities, indices, derivatives or other financial instruments. Grandmaster is under no obligation to effect any such risk management.

There can be no assurance that the Funds will achieve their investment objectives.

The above description is a simplified summary of the strategies Grandmaster employs with respect to the Master Fund. Fund investors and prospective investors can find further detail about the strategies in the relevant confidential offering memorandum, and should only make an investment decision after careful review of all those details and the risks relevant to a strategy.

All investing involves a risk of loss and investors should be prepared to bear losses on their investments in the Funds. Past results are not necessarily indicative of future results. Funds may produce gains and losses due to broader changes in the financial markets; however, gains and losses are also based on the Grandmaster’s investment acumen and securities selections, and may be impacted by other factors including market volatility, corporate activity, regulatory oversight, trading volume and money flows. Grandmaster may implement a variety of investment strategies and techniques, in addition to those described above, and the Master Fund may invest in a wide array of investments, each of which may have diverse associated risks, including counterparty risk, credit risk and liquidity risk. The Master Fund may be leveraged, which increases the risk of investment loss, and the performance may be volatile. The Funds are not subject to the same regulatory and reporting requirements as SEC registered funds (e.g., mutual funds).

The risks described above are not a complete list of risks involved with investing in a Fund – specific risks and conflicts of interest associated with an investment in the US Fund or the Offshore Fund are described in detail in the relevant confidential offering memorandum. Investors and prospective investors in the US Fund or the Offshore Fund should carefully review the relevant confidential offering memorandum for further information.

Item 9 - Disciplinary Information

Grandmaster and its employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

Item 10 - Other Financial Industry Activities and Affiliations

Grandmaster and its employees are not registered (and do not have any application pending to register) as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing entities. In addition, Grandmaster and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest. Finally, Grandmaster does not recommend or select for its clients other investment advisers.

Grandmaster is affiliated with Thiel Capital LLC (formerly known as Clarium Capital Management, LLC), a SEC-registered investment adviser; however, Grandmaster does not believe that its affiliation with Thiel Capital LLC creates a material conflict of interest.

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

Grandmaster is the Funds' investment manager, the Master Fund's general partner and the US Fund's managing member. From time to time, Grandmaster may cause the Master Fund to buy or sell a security or other instrument of the same class as, or issued by the same issuer as, or otherwise related to a security or other instrument in which Grandmaster or a person associated with Grandmaster has an ownership position. Grandmaster or a person associated with Grandmaster may buy a security or other instrument of the same class as, or issued by the same issuer as, or otherwise related to, a security or instrument that is held by the Master Fund. The governing documents of the Funds permit Grandmaster and its associated persons to engage in those activities. The offering memoranda by which interests in the Funds are offered include disclosure of the potential for those conflicts. By executing and delivering subscription applications pursuant to which they apply to become investors, all investors in the US Fund or the Offshore Fund acknowledge the potential for those conflicts and consent to the authorization contained in particular Fund's governing documents.

Grandmaster has adopted a code of ethics (the "Code of Ethics") that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with Grandmaster, and establishes procedures intended to prevent Grandmaster, and its personnel and certain of their relatives, from inappropriately benefiting from Grandmaster's relationships with its clients. The Code of Ethics provides that (i) Grandmaster will act in its clients' best interests at all times; (ii) Grandmaster will generally disclose to clients all material facts about conflicts of which it is aware between Grandmaster's and its employees' interests on the one hand and clients' interests on the other; (iii) employees must operate on Grandmaster's and their own behalf consistently with Grandmaster's disclosures to and arrangements with clients regarding conflicts and its efforts to manage the impacts of those conflicts; (iv) Grandmaster and its employees must not take inappropriate advantage of Grandmaster's clients or their positions of trust with or responsibility to clients; and (v) Grandmaster and its employees must comply with all applicable securities laws. The Code of Ethics requires employees to report personal securities holdings on an

annual basis. In addition, Grandmaster monitors all employees' securities transactions: employees must arrange for duplicate copies of their brokerage statements and trade confirmations to be provided to the Chief Compliance Officer. The Code of Ethics includes procedures for and restrictions on employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement that may be caused by client transactions or Grandmaster's recommendations regarding securities. Additionally, employees are prohibited from purchasing or selling a security at a better price than received or paid by the Private Funds in a similar transaction on the same day. Among other things, these policies and procedures include requirements that employees make a written request for and receive clearance from Grandmaster's Chief Compliance Officer (or his or her designee) before they buy or sell any security (other than certain government securities, shares of mutual funds not managed by Grandmaster, and certain other types of securities that Grandmaster does not believe create a potential for conflicts of interest). Pre-cleared transactions must be completed within a specified time frame. The Code of Ethics also contains restrictions on and procedures to prevent inappropriate trading while Grandmaster is in possession of material nonpublic information.

Grandmaster will provide a copy of the Code of Ethics to any client or prospective client upon request.

Item 12 - Brokerage Practices

Generally, clients give Grandmaster complete discretion over the selection and amount of securities to be bought or sold for clients (within the parameters established by the agreement of limited partnership or investment management agreement in the case of the Funds) without obtaining any consent or approval of any client.

Grandmaster also has complete discretion over the selection of brokers and dealers and other transacting parties ("Transacting Parties") to be used and the compensation to be paid. In addition to using brokers as agents and paying commissions, Grandmaster may buy or sell securities directly from or to dealers acting as principal (such as market-makers for over-the-counter securities) at prices that include markups or markdowns.

Selection Criteria, Generally

Grandmaster seeks "best execution" in selecting brokers and dealers. What constitutes "best execution" and determining how to achieve it are inherently uncertain. In evaluating whether a broker or dealer will provide best execution, Grandmaster considers a range of factors. These include, among others, historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions; the execution, clearance and settlement and error correction capabilities of the broker or dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker's or dealer's willingness to commit capital; the broker's or dealer's reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the nature, quantity and quality of research provided by the broker or dealer; and the market for the security. Grandmaster is not required to select the broker or dealer that charges the lowest transaction cost.

Aggregation of Orders

Grandmaster may combine the Master Fund's orders with orders for other accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, Grandmaster will allocate the proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. Grandmaster believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to the other accounts than if the Master Fund had been the only account effecting the transaction or had completed its transaction before the other participants.

Grandmaster may place orders for the same security for different clients at different times and in different relative amounts due to, among other things, differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular client. Grandmaster has adopted policies and procedures intended to ensure that its trading allocations are fair to all its clients.

In addition, Grandmaster and/or its related persons or funds may buy or sell specific securities for its or their own account that are not deemed appropriate for the Master Fund at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments for the Master Fund are made. Where execution opportunities for a particular security are limited, Grandmaster attempts in good faith to allocate such opportunities among clients in a manner that, over time, is equitable to all its clients.

Cross Transactions

Grandmaster may not cause a Fund to effect "cross" transactions with another Fund (i.e., buy and sell securities from and to each other).

"Prime Brokerage," Custody, Clearing and Settlement

The Master Fund obtains custodial, clearing, settlement and related services through what is known as a "prime brokerage" arrangement. Under that arrangement, the prime brokerage firms retained by the Fund (the "Prime Brokers") maintain custody of the Master Fund's assets (either directly or through their clearing brokerage firms), provide margin credit and locate securities to borrow or to facilitate short sales, and provide related services, but allows the Master Fund to use other broker-dealers to execute transactions. This permits Grandmaster to compare execution quality and commission rates, while maintaining a minimum number of custodial relationships. By using the prime brokerage firms, the Master Fund may avoid paying custodial fees that banks charge other institutional investors. The Prime Brokers are compensated through interest on credit balances, margin borrowings, stock loans and brokerage commissions. Under such an arrangement, the Prime Brokers, among other things, (i) arrange for the receipt and delivery of securities bought, sold, borrowed, and lent; (ii) make and receive payments for securities; (iii) maintain custody of cash and securities; (iv) deliver cash to the Master Fund's bank accounts; (v) tender securities in connection with tender offers, exchange offers, mergers or other corporate reorganizations; and (vi) provide detailed portfolio and related reports.

Grandmaster's Prime Brokers are Goldman, Sachs & Co. and Credit Suisse Securities (USA) LLC. Grandmaster may change its Prime Brokers, engage additional Prime Brokers, alter the terms of its prime brokerage arrangements with any Prime Broker, or make alternative arrangements to receive the services currently provided by the Prime Brokers, all in its absolute discretion.

Item 13 - Review of Accounts

All accounts are reviewed periodically by Patrick Wolff for overall adherence with the investment philosophy employed by Grandmaster and the Funds' strategy. Account holdings will also be reviewed at any time changing market conditions warrant.

Grandmaster provides investors in the Funds with monthly investor account statements and Fund performance updates, and annual reports that will include audited financial statements of each Fund as of the end of each fiscal year.

Item 14 - Client Referrals and Other Compensation

Other than as described under "Brokerage Practices" above, Grandmaster does not receive any benefits from third parties for providing investment advice or other advisory services to its clients, nor does Grandmaster or any of its related persons directly or indirectly compensate any third party for client referrals.

Item 15 – Custody

All assets of the Funds (cash, securities and other assets) are held in the custody of unaffiliated broker-dealers or banks. However, Grandmaster, as the general partner of the Master Fund and managing member of the US Fund, is deemed to have custody over the assets of those Funds. That is because the general partner of a partnership or managing member of the US Fund has broad authority to take possession of the Fund's assets. Grandmaster generally also has the ability to instruct the custodian to deduct fees directly from these Funds' accounts, which the SEC also considers to be a form of "custody." Grandmaster employs various safeguards to balance its "custodial" powers. For example, a reputable, PCAOB-registered independent accountant performs an annual audit of each Fund's financial statements¹.

Item 16 - Investment Discretion

Grandmaster has full investment discretion over the Funds. The Funds grant Grandmaster that discretion through the execution of an investment management agreement or similar contract.

Generally, Fund investors have no ability to modify a Fund's investment strategy. They must, therefore, carefully read the Fund's confidential offering memorandum to understand the investment strategy and risks involved.

¹ PCAOB is the Public Company Accounting Oversight Board, a nonprofit corporation established by Congress to oversee the audits of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, accurate and independent audit reports. The PCAOB also oversees the audits of broker-dealers, including compliance reports filed pursuant to federal securities laws, to promote investor protection.

Item 17 - Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended, Grandmaster has adopted policies and procedures that address generally the guidelines it expects to follow in the exercise of its voting authority over proxies it receives from time to time on behalf of its clients. Grandmaster will generally seek to vote proxies in a way that maximizes the value of its clients' assets. . Grandmaster will consider a number of factors to determine whether exercising the clients' voting rights as to its securities is in the relevant clients' best interest, such as whether the securities are being held for a short or long period of time.

When voting a proxy, Grandmaster will generally follow its voting guidelines. Grandmaster attempts to identify conflicts of interest that may arise in the proxy decision making process. If a material conflict of interest over proxy voting arises between Grandmaster and a client, Grandmaster will seek to resolve the conflict and vote the proxies in a manner that is in the relevant clients' collective best interests. Grandmaster will provide, upon request, a copy of those policies and procedures and/or information concerning its voting record on account proxy matters.

Item 18 - Financial Information

Grandmaster is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients. Grandmaster will not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

Grandmaster has not been the subject of a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

Not applicable.