

**PART 2A OF FORM ADV**  
**FIRM BROCHURE**

**black-and-white Capital LP**

**1999 AVENUE OF THE STARS, SUITE 1830  
CENTURY CITY, CA 90067**

**March 23, 2020**

**This Brochure provides information about the qualifications and business practices of black-and-white Capital LP (“black-and-white”). If you have any questions about the contents of this Brochure, please contact Steve Tarrab at 310-254-1304 or by email at [operations@bandwcap.com](mailto:operations@bandwcap.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority, and references in this Brochure to black-and-white as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

**Additional information about black-and-white is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

black-and-white is submitting the Annual Amendment to its Brochure as of March 23, 2020. Since black-and-white submitted its most recent Annual Amendment on March 19, 2019, there have been no material changes.

In the future, when black-and-white amends its Brochure for its annual update (or otherwise) and the amended version contains material changes from the last annual update, it will identify and discuss those changes either on this page or as a separate document accompanying the Brochure.

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## ITEM 4 – ADVISORY BUSINESS

<p><b>Item 4.A</b></p>	<p><b>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</b></p> <p>black-and-white Capital LP (“black-and-white”) was formed in July 2016 and commenced investment management activities on November 1, 2016.</p> <p>black-and-white provides discretionary investment advisory services to Black-and-White Innovation Fund (Cayman) Ltd., a Cayman Islands exempted limited company (the “Offshore Fund”) and Black-and-White Innovation Fund LP, a Delaware limited partnership (the “Onshore Fund”), which invest substantially all of their assets in Black-and-White Innovation Master Fund Ltd., a Cayman Islands exempted company (the “Master Fund”) (collectively, the “Funds”)<sup>1</sup>.</p> <p>black-and-white GP LLC, the general partner of the Onshore Fund (the “black-and-white GP”) and the Offshore Fund’s board of directors (the “Offshore Board”) are responsible for the management of the affairs of the Onshore Fund and the Offshore Fund respectively and have delegated certain investment advisory powers to black-and-white.</p> <p>The principal owners of black-and-white are B&amp;P Advisors Inc. and Seth Wunder (Mr. Wunder is referred to herein as the “Principal and Portfolio Manager”).</p> <p>The principal owners of black-and-white GP LLC are B&amp;P Intressenter 2 AB, a wholly owned subsidiary of Brummer &amp; Partners AB (together with its affiliates, “Brummer”), and the Principal and Portfolio Manager. black-and-white GP LLC serves as the general partner of black-and-white.</p> <p>B&amp;P Advisors Inc. is wholly owned by B&amp;P Intressenter 2 AB, a wholly owned subsidiary of Brummer &amp; Partners AB.</p>
<p><b>Item 4.B</b></p>	<p><b>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</b></p> <p>black-and-white generally has broad and flexible investment authority. The intention is to make long and short investments in equities and equity related derivatives, with a focus on global technology, media and telecommunications (“TMT”) and adjacent sectors. TMT is defined to be inclusive of all related services, distribution channels (commercial &amp; retail) and/or businesses whose main infrastructure process is information technology-enabled. Adjacent industries are industries that adopt cutting edge technologies in their products.</p>

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<sup>1</sup> black-and-white also serves as a sub-adviser to a UCITS sub-fund, IAM Black and White Innovation UCITS Fund (the “UCITS Fund”), which is not offered to investors in the United States and is not a private fund, as that term is defined for purposes of the Form ADV.

Item 4.C	<p><b>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</b></p> <p>black-and-white tailors its advisory services to the terms set forth in the confidential private placement memorandum or similar document provided to investors (“Investors”). black-and-white generally does not tailor its advisory services to the individual needs of Investors, nor does it accept Investor-imposed investment restrictions.</p> <p>black-and-white does not manage separately managed accounts; however in the future, if deemed appropriate for a particular client, black-and-white may manage one or more separately managed accounts, which may include specific restrictions as may be agreed by black-and-white and the relevant client. It should be noted that any such accounts would likely be subject to significant account minimums.</p> <p>black-and-white and its affiliates, with the approval and support of the Offshore Board, but without any further act, approval or vote of any Investor or any other person, has entered, and may again in the future enter, into side letters or other writings with an Investor which have the effect of establishing special rights or terms for such Investor. Any rights or terms so established in a side letter with an Investor will govern solely with respect to such Investor (but generally not any of such Investor’s assignees or transferees unless so specified in such side letter). Moreover, certain Investors may receive additional transparency and information and reporting rights that other Investors may not receive, and such information may affect an Investor’s decision to request a redemption or withdrawal of its investment. Prospective investors and Investors may contact black-and-white to obtain general information on the Funds’ side letters.</p>
Item 4.D	<p><b>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</b></p> <p>black-and-white does not participate in wrap fee programs.</p>
Item 4.E	<p><b>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date “as of” which you calculated the amounts.</b></p> <p>As of December 31, 2019, black-and-white manages \$932,567,854<sup>2</sup> of regulatory assets on a discretionary basis. black-and-white does not currently manage any assets on a non-discretionary basis.</p>

<sup>2</sup> This number excludes the UCITS Fund, as it is not considered a private fund. Including the UCITS Fund, black-and-white manages \$1,007,413,254 as of December 31, 2019 on a discretionary basis, as reported in Part 1, Item 5.F, Regulatory Assets Under Management.

## ITEM 5 – FEES AND COMPENSATION

<p><b>Item 5.A</b></p>	<p><b>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</b></p> <p>black-and-white is compensated (either directly or through an affiliated general partner entity) in the form of a management fee (the “Management Fee”) and performance-based allocation (the “Incentive Allocation”)<sup>3</sup>. Investors bear their respective portions of the Management Fee and Incentive Allocation. Investors and prospective investors should refer to the relevant offering documents for a detailed description of the manner in which black-and-white is compensated.</p> <p>Management Fees are generally paid monthly in arrears, generally at a rate equal to 1.5% per annum of the net worth of each capital account as of the end of each month.</p> <p>The Incentive Allocation is based on the net profits (including realized and unrealized gains and losses) at the end of each calendar month for Class C shares and at the end of each calendar year for Classes A and B shares. black-and-white GP LLC is entitled to be allocated an amount generally equal to twenty percent (20%) of the excess, if any, of (i) the net asset value of each Investor’s series of shares or capital account, as applicable, as of the end of such calendar month for Class C shares and at the end of such calendar year for Classes A and B shares over (ii) a cumulative performance benchmark (as described in the confidential private placement memorandum) calculated for Class C shares as of the last day of such calendar month or Classes A and B shares as of the last day of such calendar year.</p> <p><b>It is very important that Investors refer to the respective confidential private placement memorandum for a complete understanding of fees. The information contained herein is a summary only and is qualified in its entirety by such materials.</b></p>
<p><b>Item 5.B</b></p>	<p><b>Describe whether you deduct fees from <i>clients</i>’ assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</b></p> <p>Management Fees and Incentive Allocations are deducted from Investors’ assets invested in the Funds. Investors do not have the ability to choose to be billed directly for fees incurred.</p> <p><b>It is very important that Investors refer to the respective confidential private placement memorandum for a complete understanding of how fees are deducted from their assets or otherwise paid to black-and-white (or an affiliate). The information contained herein is a summary only and is qualified in its entirety by such materials.</b></p>
<p><b>Item 5.C</b></p>	<p><b>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</b></p>

<sup>3</sup> For the UCITS Fund, management fees and performance fees are shared between IAM Investments ICAV and black-and-white.

	<p>The Funds generally pay the costs of offering interests/shares to prospective investors, including external legal and accounting expenses.</p> <p>The Onshore Fund and Offshore Fund generally bear all Organizational, Investment and Operating Expenses and their pro-rata share of those of the Master Fund, in addition to the Management Fee. The “Organizational Expenses” include the expenses incurred by the Funds in connection with their organization. The Investment Expenses include expenses associated with the investment program of the Funds, which includes, without limitation, brokerage expenses, commissions, dealing costs (which vary depending on a number of factors, including, without limitation, the bank, broker or dealing counterparty utilized for the transaction, the particular instrument traded and the volume and size of the transaction), execution, give-up, exchange, clearing and settlement charges, initial and variation margin, principal, regulatory commissions and fees, delivery, custodial fees, third-party research (to the extent not paid through soft dollar arrangements), interest and borrowing charges on margin accounts and other indebtedness, bank, broker and dealer service fees, interest expenses and consulting, risk reporting services, trade management systems and other professional fees relating to particular investments or contemplated investments and all other research expenses and all other expenses directly or indirectly related to the Funds’ investment program. The term “Operating Expenses” means the Funds’ operating expenses, including, without limitation, administrative expenses, custodial expenses, legal expenses, insurance costs (including, without limitation, acquiring and maintaining cybersecurity insurance and D&amp;O and/or E&amp;O insurance for black-and-white, the General Partner and their respective affiliates), compliance and regulatory expenses (including, without limitation, third-party expenses incurred by the Funds and black-and-white), external accounting expenses, audit and tax preparation expenses, interest, taxes, costs, all expenses incurred in connection with the offer and sale of Interests or shares in the Master Fund, as applicable, and all other expenses associated with the operation of the Funds, as applicable, including, without limitation, all extraordinary expenses.<sup>4</sup></p> <p>The Funds currently amortize the Organizational Expenses, as applicable, for accounting purposes, over a period of sixty (60) calendar months from the date they commenced operations, or such other period of time as determined by black-and-white GP or the Offshore Board, as applicable.</p> <p>Please refer to Item 12 of this Brochure for a description of black-and-white’s brokerage practices.</p> <p><b>It is very important that Investors refer to the respective confidential private placement memorandum for a complete understanding of expenses clients may pay. The information contained herein is a summary only and is qualified in its entirety by such materials.</b></p>
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<sup>4</sup> For the UCITS Fund, all fees and expenses are individually negotiated. black-and-white will generally charge the UCITS Fund for fees and expenses relating to an investment by the UCITS Fund.

Item 5.D	<p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>The fees charged to the Advisory Clients are not payable in advance.</p>
Item 5.E	<p>If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable.</p>
Item 5.E.1	<p>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p> <p>Not applicable.</p>
Item 5.E.2	<p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable.</p>
Item 5.E.3	<p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable.</p>
Item 5.E.4	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p>Not applicable.</p>



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

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

As described in Item 5.B above, affiliates of black-and-white are eligible to receive performance-based allocations or fees, as applicable, from all of its clients. As a result, black-and-white does not have the potential conflicts of interest that arise when an investment adviser has both clients that pay performance-based compensation and clients that do not.

As noted in 5.A, in the future, black-and-white may provide investment advisory services to additional funds or managed accounts that may charge different or no performance-based fees. At this time, black-and-white does not manage separately managed accounts and has no intention of doing so.

## ITEM 7 – TYPES OF CLIENTS

**Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

black-and-white currently provides discretionary investment advisory services to the Funds, as described in Item 4, above.

Investors in the Onshore Fund and the Offshore Fund must meet certain eligibility requirements. Specifically, interests or shares in the Funds are generally offered to (i) U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”)), that are “accredited investors” for the purposes of Regulation D under the Securities Act and “qualified purchasers” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended; or (ii) persons that qualify as non-U.S. persons for the purposes of Regulation S under the Securities Act. It is anticipated that Investors in other funds managed by black-and-white in the future will have to meet similar eligibility criteria, as applicable.

Investments in the Funds are intended only for certain financially sophisticated institutions, companies, and individuals who can bear the risk of loss of some or all of an investment.

The minimum initial investment in the Funds, unless waived in each case, is \$1,000,000<sup>5</sup>.

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<sup>5</sup> The UCITS Fund is subject to the agreed upon account minimums.

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

Item 8.A	<p><b>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</b></p> <p><b><u>Methods of Analysis</u></b></p> <p>black-and-white's main investment objective is to utilize industry specific expertise and disciplined portfolio management in an attempt to produce attractive absolute risk-adjusted returns, which are defined as having higher returns than comparable broad market indices with less risk. black-and-white plans to achieve its investment objective through long and short investments in equities and derivatives, with a focus on both the TMT sectors as well as the adjacent industries associated with TMT.</p> <p>black-and-white uses a variety of resources or services to form an investment idea or strategy. black-and-white utilizes research developed and prepared by third parties and also consults with third parties from the financial, legal and business communities for general investment advice or advice on specific securities or industry trends, or to serve as a strategic resource for black-and-white in the form of ideas, contacts and advice.</p> <p><b><u>Investment Strategies</u></b></p> <p>In seeking attractive investment opportunities, black-and-white focuses on employing three main strategies:</p> <p><i>Top-Down Analysis:</i> black-and-white will work to develop a deep understanding of the major structural shifts and evolutions impacting TMT and identify those companies that are most likely to benefit from these trends and those companies most likely to suffer. In black-and-white's experience, investors are often anchored to past perceptions and underestimate the impact structural shifts have on incumbent vendors and the opportunity available to new market entrants. black-and-white expects that the steady cycle of innovation within TMT will provide a continually evolving universe of long and short opportunities.</p> <p><i>Asset Value Analysis:</i> black-and-white will attempt to identify companies where it believes the medium- to long-term asset value varies greatly from the current operating value discounted by the market. In black-and-white's view, true durable value, or lack thereof, can often be obscured by short term operating performance and other transitory factors, thus creating market inefficiencies.</p> <p><i>Product Cycle Analysis:</i> Product cycles are critical to the lifecycle of technology companies. By developing a superior understanding of a product cycle, which impacts on short- and medium-term operating performance, black-and-white will attempt to identify long and short investment opportunities. Given the rapid pace of innovation and new product introductions, the ability to generate alpha on long and short ideas is a continual process.</p>
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black-and-white's ultimate goal will be to create a diversified portfolio consisting of companies with substantial exposure to each of the three main targeted strategies. In black-and-white's view, this should reduce any fundamental style bias as traditionally defined (i.e., Growth, Value, and GARP).

### **Research Process**

black-and-white's research process has been developed based on the Principal and Portfolio Manager's decade-plus experience investing in TMT. black-and-white expects to leverage black-and-white's historical understanding of the industry and investment analysis. Investment analysis includes both industry level analysis and company specific research.

Industry level research includes, but is not limited to, the following:

- structured analysis of market forecasts and company shifts in market share based on documented, highly regarded third-party industry research firms;
- attendance at industry tradeshow;
- ongoing dialogue with industry executives, contacts and private companies.

Company-specific research is based upon, among other factors;

- thorough understanding of all publicly filed SEC documents;
- black-and-white's proprietary company financial model based on its view of the firm's financial prospects;
- participation at user events and other events hosted by the company;
- discussions with the senior executive team;
- analysis of long term competitive advantages/disadvantages and the defensibility, or lack thereof, of those attributes over time;
- evaluation of capital structure, capital allocation and efficiency and level of dilution through equity incentive compensation;
- thoughtfulness of management regarding long-term strategy and shareholder value creation.

### **Portfolio Construction**

The Principal and Portfolio Manager selects securities both within and adjacent to the TMT sector with a keen eye towards leveraging his historical TMT expertise. The goal is to create a portfolio designed to maximize individual security risk-reward by focusing on medium-term oriented upside and downside price targets. Positions are sized not just to take advantage of upside value creation but also to be cognizant of the absolute level of downside risk. There is a heavy emphasis on the short side of the portfolio and managing risk prudently.

### **Risk Management**

Fund risk is managed by the Principal and Portfolio Manager.

In order to produce attractive risk-adjusted returns, black-and-white attempts to generate significant alpha from both long and short investments. black-and-white believes it is imperative to create a portfolio of short positions consisting primarily of stock specific shorts and to a lesser degree, if any, exchange traded funds ("ETFs"). ETFs generally provide little alpha generation as they are a compilation

	<p>of many underlying securities, thus in aggregate behaving similarly to the broader market.</p> <p>No risk control system is fail-safe, and no assurance can be given that the risk control framework described herein will achieve its objective. From time to time, without notice to Investors, black-and-white may modify or change its risk management systems if black-and-white determines that doing so would be in the best interests of Fund and its Investors.</p> <p>It is very important that Investors refer to the respective Fund's confidential private placement memorandum for a complete understanding of black-and-white's methods of analysis and investment strategies. The information contained herein is a summary only and is qualified in its entirety by such documents.</p>
Item 8.B	<p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p> <p><b><u>Risks of Investment in the TMT Sector</u></b></p> <p>TMT companies in the U.S., Europe, Japan, China, Taiwan and other developed and emerging countries are undergoing significant changes, mainly due to evolving levels of governmental regulation or deregulation, as well as the rapid development of technologies. Competitive pressures within the TMT sector are intense and the securities of TMT companies may be subject to significant price volatility. In addition, because the TMT sector is subject to rapid and significant changes in technology, some of the companies that the Funds invest in will face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete.</p> <p><b><u>Concentration</u></b></p> <p>At any given time, the Funds' assets are expected to become highly concentrated within a particular industry, asset category, trading style or financial or economic market. In such event, the Funds' portfolio will be more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular industry, asset category, trading style or financial or economic market, than a less concentrated portfolio. black-and-white is not obligated to hedge the Funds' positions.</p> <p><b><u>Short Sales</u></b></p> <p>The Funds sell securities short. Selling securities short risks losing an amount greater than the proceeds received. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. The Funds may be subject to losses if a security lender demands return of the lent securities and an alternative</p>

lending source cannot be found or if the Master Fund is otherwise unable to borrow securities which are necessary to cover its positions. Although the Master Fund may utilize short selling as a hedging technique, short selling may also be used for speculative purposes.

### **Leverage**

The Funds utilize leverage and may do so through direct borrowing, short selling, options and other instruments (including, without limitation, derivatives) and arrangements with embedded leverage. While strategies, techniques and instruments that employ leverage increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. If the Funds use leverage with respect to a position, any losses would be more pronounced than if leverage were not used, and a relatively small price movement in a security or other financial instrument may result in immediate and substantial losses to the Funds, including, without limitation, losses in excess of the amount invested. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the Funds. In addition, the lender or counterparty, as the case may be, may have a security interest in, or otherwise acquire, all or a portion of the Funds' assets. In the event that the Funds default under any such arrangement, such lender or counterparty may have the right to become or remain the owner of all or that portion of the Funds' assets secured pursuant to such arrangement. If such arrangement is terminated, the Funds' ability to meet its investment objective may be adversely impaired. The Funds bear all of the costs and expenses incurred in connection therewith, including, without limitation, any interest expense charged on funds borrowed or otherwise accessed.

In addition, certain financial instruments that the Funds acquire may incorporate a certain, and sometimes high, degree of embedded leverage. Accordingly, even if not leveraged in the sense of being acquired with borrowings, the Funds may have highly leveraged exposure to certain financial instruments it acquires.

### **Liquidity**

Some of the investments that are made by the Funds may lack liquidity or be thinly traded. This could present a problem in realizing the prices quoted and in effectively trading the position(s). In certain situations, the Funds may invest in less liquid investments which could result in loss in value should the Funds be forced to sell the less liquid investments as a result of rapidly changing market conditions or as a result of margin calls or other factors. In certain circumstances, the Funds may also be contractually prohibited from disposing of investments for a specific period of time. Accordingly, the Funds may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of less liquid investments.

The disposition of less liquid investments often requires more time and results in higher transaction costs than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

### **OTC Contracts and Thinly Traded Securities**

OTC contracts can include, but are not limited to, total return swaps, OTC equity options, FX options, and FX forwards. These types of financial instruments will generally be valued in accordance with black-and-white's Valuation Policy. The Valuation Policy will be provided to investors upon request.

### **Currency Risk**

black-and-white causes the Funds to enter into arrangements in an attempt to hedge the Funds' exposure to significant currency fluctuations between the U.S. Dollar and other currencies. Therefore, the Funds may be exposed to fluctuations in currency and interest rates, to the extent the movement in such rates affects the Funds' portfolio. Price movements of currencies and interest rates are difficult to predict accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. black-and-white cannot guarantee that the Funds' portfolios will not be affected substantially by currency price and interest rate movements and the Funds may suffer significant losses as a result thereof.

### **Counterparty Creditworthiness and Risk**

The Funds engage in transactions in securities or other financial instruments that involve counterparties, and no counterparty exposure limits have been imposed on these transactions. Under certain conditions, a counterparty to a transaction could default or the market for certain securities or other financial instruments may become illiquid. In addition, the Funds could suffer losses if there were a default or bankruptcy by certain other third-parties, including, without limitation, brokerage firms and banks with which the Funds do business, or to which securities have been entrusted for custodial purposes.

The loan counterparties with which the Funds may effect transactions may not be subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with Funds' lending activities. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus subjecting the Funds to a possible loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated transactions with a single or small group of counterparties. The Funds are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by

the Funds. The Funds intend to diversify and mitigate counterparty risk as appropriate.

### **Market Volatility**

As a general matter, the prices of certain of the assets in which the Funds invest have recently exhibited high volatility in line with the heightened volatility and fluctuations of global capital markets. Price movements of these assets may be influenced by, among other things, interest rates, credit trends, changing supply and demand relationships, regulatory changes, and fiscal and monetary programs and policies of governments. There can be no assurance that black-and-white will be successful in accurately predicting price and interest rate movements despite efforts to identify and hedge such risks when necessary. Companies within the TMT sectors have generally experienced higher volatility than the overall securities markets and hence are subject to greater risk.

### **Failure of Brokerage Firms**

U.S.-registered broker dealers which carry the accounts of the Funds generally segregate all customer funds to be allocated to listed securities trading in compliance with SEC and FINRA regulations. If such assets were not so segregated, the Funds would be subject to the risk of the failure of the broker. Even given proper segregation, in the event of the insolvency of the broker, the Funds may be subject to a risk of loss of its funds and may be able to recover only a pro-rata share (together with all other securities customers of such broker) of its assets, such as U.S. Treasury bills, specifically traceable to the Funds' accounts. In broker insolvencies, customers have, in fact, been unable to recover from the broker's estate the full amount of their "customer" funds. In addition, under certain circumstances, such as the inability of another client of the broker or the broker itself to satisfy substantial deficiencies in such other client's account, a customer (including, without limitation, the Funds) may be subject to a risk of loss of its funds on deposit with a broker dealer, even if such funds are properly segregated. In the case of any such bankruptcy or loss, the Funds might recover, even in respect of property specifically traceable to it, only a pro-rata share of all property available for distribution to all of the broker's clients. The Funds may trade with or hold accounts at foreign broker dealers registered under the laws and regulations of other countries. Such brokers and/or dealers may not be subject to the same or similar customer fund regulations (including, without limitation, customer segregation requirements) as those existing in the United States. The financial failure of the parties with which the Funds trade in the over-the-counter ("OTC") markets could also result in substantial losses, as the Funds will deal with such persons as principal and there is no requirement that such parties segregate counterparty funds held by them in respect of such trading. Further, the Funds are subject to additional risks where it is a party to a securities lending arrangement and the counterparty to the arrangement becomes insolvent and/or defaults on its obligations, including, without limitation, the risk that collateral will not be returned and/or repurchased or the Funds will not be permitted to exercise its remedies in accordance with the provisions of the relevant securities lending agreement.



### **Electronic Trading Facilities**

The Funds, in trading activities, has, and may in the future, in the sole and absolute discretion of black-and-white, make use of electronic trading and/or communication networks. Most electronic trading facilities are supported by computer- (including, without limitation, internet-) based component systems for the order routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Trading on an electronic trading system may differ not only from trading in an open-outcry market or telephonic market, but also from trading on other electronic trading systems. The Funds, in undertaking transactions on an electronic trading system, are exposed to risk associated with the system, including, without limitation, the failure of hardware and software. The result of any system failure may be that a trade order is either not executed according to its instructions or is not executed at all. The Funds' ability to limit or recover certain losses may be subject to limits on liability imposed by, without limitation, foreign or domestic law or regulation, the Funds' own or the brokers' internet service provider, other systems providers, market factors, foreign or domestic banking or other market regulations, and/or telephonic or other communications providers.

### **Systems Risk**

The Funds depend on black-and-white and its affiliates to develop and implement appropriate systems for their respective activities. In particular, black-and-white and its affiliates will rely on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor their portfolios and net capital, and to generate exposure and other reports that are critical to the oversight of the Funds' investment activities. In addition, certain of black-and-white's and its affiliates' operations interface with or depend on systems operated by third-parties, including, without limitation, brokers and market counterparties and their sub-custodians and other service providers, and black-and-white and its affiliates may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms", viruses and power failures. Any such defect or failure could have a material adverse effect on the Funds.

### **Cybersecurity Risk**

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of black-and-white's and/or the Funds' (and/or any of their respective affiliates) information systems. These incidents may be an intentional attack or an unintentional event, and could involve gaining unauthorized access to black-and-white's information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. As part of its business, black-and-white processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the investors. Similarly, service providers of black-and-white or the Funds, especially the Administrator, may process, store and transmit such information. black-and-white has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and

	<p>security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third-parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third-parties may be susceptible to compromise, leading to a breach of black-and-white's network. black-and-white's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by black-and-white to the investors may also be susceptible to compromise. Breach of black-and-white's information systems may cause information relating to the transactions of the Funds and personally identifiable information to be lost or improperly accessed, used or disclosed. The service providers of the Funds are subject to the same electronic information security threats as black-and-white. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information may be lost or improperly accessed, used or disclosed. The loss or improper access, use or disclosure of black-and-white's and/or the Funds' proprietary information may cause, among other things, financial loss, the disruption of its business, liability to third-parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on black-and-white, the Funds and the investments therein.</p> <p><b><u>Disaster Recovery</u></b></p> <p>black-and-white has put in place safeguards designed to protect the interests of the Funds in case of disruption of information technology, including transmission failures. Such measures may include the use of parallel or back-up systems, emergency power and alternative data feeds. There can be no guarantee that such measures will be effective in all situations, and black-and-white, the General Partner, and the Funds may be adversely affected by the occurrence of any such disruption.</p> <p><b>It is very important that Investors refer to the respective Funds' confidential private placement memorandum for a complete understanding of the material risks involved in relation to black-and-white's investment strategies and methods of analysis. The information contained herein is a summary only and is qualified in its entirety by such documents.</b></p>
<b>Item 8.C</b>	<p><b>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</b></p> <p><b><u>Equity Securities</u></b></p> <p>The Funds invest in equities and equity derivatives. The value of these instruments generally varies with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if they invest in equity instruments of issuers whose performance diverges from black-and-white's expectations or if equity markets generally move in a single direction and the Funds have not hedged against such a general move. In its equity derivatives, the</p>

Funds are exposed to risks that issuers will not fulfill their contractual obligations to the Funds.

### **Small Companies**

The Funds may invest a portion of its assets in securities of small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. Such companies may not be well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, the Funds may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the lower trading volume of smaller company securities.

### **Non-U.S. Securities**

The Funds invest a portion of assets in non-U.S. securities and interests denominated in non-U.S. currencies and/or traded outside of the United States, including, without limitation, emerging market securities and interests. Such investments require consideration of certain risks not typically associated with investing in securities traded in the United States or other assets. Such risks include, among other things, unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States, and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

### **Options**

black-and-white utilizes options in furtherance of its investment strategies. Option positions may include both long positions, where the Funds are the holder of put or call options, as well as short positions, where the Funds are the seller (writer) of an option. Although option techniques can increase investment return, they can also involve a higher level of risk compared with their underlying securities. For example, the expiration of unexercised long options effectively results in loss of the entire cost, or premium paid for the option. Conversely, the writing of an uncovered put or call option can involve, similar to short selling, a theoretically unlimited risk of an increase in the Funds' cost of selling or purchasing the underlying securities in the event of exercise of the option.

### **Hedging Transactions**

Hedging involves special risks, including, without limitation, the possible default by the other party to the transaction, illiquidity and, to the extent black-and-white's view as to certain market movements is incorrect, the risk that the use of hedging

	<p>could result in losses greater than if such investment strategies had not been used. black-and-white utilizes financial instruments for risk management purposes. The success of the hedging strategy of the Funds is subject to black-and-white's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Because the characteristics of many assets change as markets change or time passes, the success of the Funds' hedging strategy is also subject to black-and-white's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if it had not engaged in any such hedging transactions. For a variety of reasons, black-and-white may not seek to hedge certain portfolio holdings, or may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Moreover, the portfolio may be exposed to certain risks that cannot be hedged.</p> <p><b>It is very important that Investors refer to the respective Fund's confidential private placement memorandum for a complete understanding of the material risks involved in relation to black-and-white's investment strategies and methods of analysis. The information contained herein is a summary only and is qualified in its entirety by such documents.</b></p>
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## ITEM 9 – DISCIPLINARY INFORMATION

**If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.**

There are no legal or disciplinary events that are material to a client's, prospective client's, investor's or prospective investor's evaluation of black-and-white's advisory business or integrity of black-and-white's management.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>Not applicable.</p>
Item 10.B	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p>Not applicable.</p>
Item 10.C	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol> <p>As noted in Item 4, B&amp;P Advisors Inc. is a minority owner of black-and-white. Due to its ownership interest in black-and-white and its affiliate, B&amp;P Advisors Inc. is entitled to a share of the Management Fee in connection with the Funds. Further, due to B&amp;P Advisors Inc.’s ownership interest in black-and-white and its affiliate, B&amp;P Intressenter 2 AB, an affiliate of B&amp;P Advisors Inc., is entitled to a share of the Incentive Allocation in connection with the Funds.</p> <p>Brummer &amp; Partners AB is the main company of the Brummer group (“Brummer”). The fund management companies in the Brummer group are wholly owned by Brummer &amp; Partners AB or jointly owned together with the portfolio managers. Brummer &amp; Partners AB’s own unrestricted assets are invested in the funds that make up the Brummer group. It should be noted that the largest investors in the Offshore Fund are managed by an affiliate in the</p>

	<p>Brummer group, which may present an additional conflict of interest in acting with respect to the Funds.</p> <p>Brummer provides discretionary investment management services to managed accounts and other investment partnerships or funds, some of which may have similar investment programs to those of the Funds. Further, as part of its regular business, Brummer provides a broad range of investment management and advisory services. Brummer may provide other services in the future. The Funds in the Brummer group will receive no benefit from the fees or profits derived from such services. Brummer may invest in or engage in transactions with issuers of securities that may be suitable investments for the Funds. As a result, employees of Brummer may possess information relating to such issuers that is not known to black-and-white or its affiliates that are responsible for making investment decisions or monitoring the Funds' investments and performing other obligations. Those employees of Brummer will not be obligated to share any such information with black-and-white or its affiliates, and may be prohibited by law or contract from doing so. In addition, because of such relationships, there may be certain investment opportunities that black-and-white (or its affiliates) will decline, or be unable, to make. Additionally, there may be circumstances in which one or more individuals associated with black-and-white (or its affiliates) will be precluded from providing services to black-and-white (or its affiliates) because of certain confidential information available to those individuals or Brummer. Brummer is under no obligation to decline any engagements or investments in order to make an investment opportunity available to the Fund.</p>
<b>Item 10.D</b>	<p><b>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</b></p> <p>Not applicable.</p>

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

<p><b>Item 11.A</b></p>	<p><b>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</b></p> <p>black-and-white's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to black-and-white's "Access Persons." Access Persons include, generally, any partner, officer or director of black-and-white and any employee or other supervised person of black-and-white who, in relation to the clients of black-and-white, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings; or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All black-and-white employees are deemed to be Access Persons.</p> <p>The Code sets forth a standard of business conduct that takes into account black-and-white's status as a fiduciary and requires Access Persons to place the interests of the Funds above their own interests and the interests of black-and-white. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of black-and-white's Chief Compliance Officer (the "Chief Compliance Officer"). All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.</p> <p>The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.</p> <p>The Code also seeks to ensure the protection of nonpublic information about securities and investment recommendations made by black-and-white. The Code of Ethics will be provided to clients upon request.</p>
<p><b>Item 11.B</b></p>	<p><b>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</b></p> <p>black-and-white is permitted to buy and sell for its clients securities in which Access Persons have a material financial interest. Further, affiliates of black-and-white serve as general partners to investment-related limited partnerships managed by black-and-white and for which black-and-white's affiliates solicit investments. The fact that Access Persons may have a material financial interest in securities recommended for the clients creates a potential conflict of interest in</p>



	<p>that Access Persons could make improper use of information regarding Fund holdings or prospective holdings. Further, black-and-white may make investment decisions that are different than would have been made if its affiliates did not have such a material financial interest. Such potential conflicts are addressed by the Code, which requires Access Persons to place the interests of the Funds over their own and those of black-and-white, and which contains personal securities transaction pre-clearance and holding requirements. Access Persons are required to acknowledge their receipt and understanding of the Code.</p>
<b>Item 11.C</b>	<p><b>If you or a <i>related person</i> invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</b></p> <p>As noted in Item 11.B, above, Access Persons are permitted to make securities transactions in their personal accounts. This presents potential conflicts in that an Access Person could make improper use of information regarding the clients' holdings or future transactions or research paid for by the clients. An Access Person could take for himself or herself an investment opportunity available to the Funds or could engage in "front-running" of a Fund trade.</p> <p>black-and-white manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains strict pre-clearance and reporting guidelines for Access Persons. black-and-white requires that Access Person transactions be pre-cleared with the Chief Compliance Officer, with limited exceptions. Pre-clearance decisions are based on a number of factors, including whether the Funds hold or may hold a given security. Further, to deter and prevent improper personal trading, black-and-white imposes a 60-day holding period for personal securities transactions. In addition, black-and-white receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer or his designee reviews Access Persons' personal transaction and holdings reports to ensure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.</p> <p>In addition, certain Access Persons invest in the Funds, either directly or through an interest in an affiliate of black-and-white which has an interest in the Funds. black-and-white believes that by investing in the Funds, Access Persons align their interests with those of other Investors. However, the fact that Access Persons invest in the Funds could potentially lead black-and-white to make investment decisions that are different than those that would have been made if Access Persons did not invest in the Funds. Such potential conflicts are addressed by the personal securities transaction pre-clearance and holding requirements described in black-and-white's Code of Ethics. In addition, as discussed in Item 13 (Review of Accounts), the Funds' portfolio is under continuous review for adherence to investment policy, the suitability of the investments used to meet policy objectives, cash availability and investment objectives.</p> <p>Further, investment funds managed by Brummer invest in the Funds. black-and-white recognizes that its fiduciary responsibilities require it to act in a manner that is in the best interests of its advisory clients.</p>

Item 11.D	<p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Please refer to the responses to Items 11.A, 11.B, and 11.C.</p>
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## ITEM 12 – BROKERAGE PRACTICES

Item 12.A.1	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (<i>e.g.</i>, commissions).</p> <p><b>1. Research and Other Soft Dollar Benefits.</b> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <p>black-and-white has authority to select the broker-dealer used in each transaction for the Funds and to negotiate the fees to be paid to the broker-dealer in connection with such transactions. black-and-white recognizes its duty to obtain “best execution.” Consistent with such duty, in determining best execution, black-and-white takes into account the full range and quality of a broker-dealer’s services, including research and other services. black-and-white does not select broker-dealers solely on the basis of lowest possible commission costs, but by the best qualitative execution.</p> <p>Consistent with such policy, consideration is given to a variety of factors, including but not limited to one or more of the following:</p> <ul style="list-style-type: none"> <li>• the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);</li> <li>• the operational efficiency with which transactions are effected, taking into account the size of the order and difficulty of execution;</li> <li>• the financial strength, integrity and stability of the broker;</li> <li>• the broker’s risk in positioning a block of securities;</li> <li>• access to deals or instruments that black-and-white wants to invest in and the competitiveness of commission rates in comparison with other counterparties satisfying black-and-white’s other selection criteria.</li> </ul> <p>While black-and-white’s primary consideration in allocating portfolio transactions to broker-dealers is to obtain favorable prices and efficient executions, black-and-white does not have an obligation to, and does not always seek to, obtain the lowest priced execution regardless of qualitative considerations. Commission rates are generally negotiable and thus selecting brokers on the basis of considerations that are not limited to the applicable commission rates results in higher transaction costs than would otherwise be obtainable.</p> <p>Subject to the objective of seeking best execution, black-and-white also takes into consideration research and other brokerage services provided by the broker executing trades, which are included in the commission rate. When black-and-white uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it receives a benefit because it does not</p>
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	<p>have to produce or pay for the research, products or service. In addition, black-and-white may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the Funds' interest in receiving most favorable execution. In an effort to mitigate these potential conflicts of interest, certain of black-and-white's personnel meet periodically to evaluate the qualitative execution performance of brokers executing black-and-white's trade orders including the use and allocation of brokerage commissions and the firm's spending on research and brokerage services.</p> <p>Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. black-and-white generally limits the use of "soft dollars" to obtain research and brokerage services that fall within the Section 28(e) safe harbor. In the past year, research and related services obtained with "soft dollars" included, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; and discussions with research personnel and industry experts, including through the use of expert networks.</p>
Item 12.A.2	<p><b><u>Brokerage for Client Referrals.</u></b> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> <li>a. <b>Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution.</b></li> <li>b. <b>Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</b></li> </ol> <p>Broker-dealers, including firms that serve as prime brokers to the Funds may, from time to time, permit black-and-white to participate in capital introduction programs with respect to the Funds and/or recommend the Funds as an investment to clients. Portfolio transactions may be placed with firms who have made such recommendations or provided capital introduction opportunities, if otherwise consistent with seeking best execution. In no event will black-and-white select a broker or dealer as a means of remuneration for recommending the Funds or any other private fund managed by black-and-white (or an affiliate) or affording black-and-white with the opportunity to participate in capital introduction programs.</p>
Item 12.A.3	<p><b><u>Directed Brokerage.</u></b></p> <ol style="list-style-type: none"> <li>a. <b>If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all</b></li> </ol>

	<p>advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</p> <p>b. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</p> <p>Not applicable.</p>
Item 12.B	<p><b>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</b></p> <p>black-and-white's policy is to execute client orders on an aggregated basis when possible if black-and-white believes that doing so will allow it to achieve more efficient execution. black-and-white will ensure that trades are allocated on a basis believed to be fair and equitable; no participating client will receive preferential treatment over any other. The portfolio management team will take steps to ensure that no participating client will be systematically disadvantaged by the aggregation, placement, or allocation of trades.</p> <p>In determining the suitability of each investment opportunity for a client, consideration will be given to a number of factors, the most important being the client's investment objectives and strategies, regulatory restrictions, existing portfolio composition and cash levels. Where an investment opportunity is suitable for two or more clients, black-and-white will allocate such investment opportunity equitably in order to ensure that client accounts have equal access to similar quality and quantity of investment opportunities.</p> <p>It should be noted that in event that clients having similar investment objectives and guidelines and portfolio composition are not allocated investment opportunities pro rata, the clients' portfolios will be managed over time with a goal of achieving "performance parity." Also, given different inception dates and historical cash flows, each client may hold the same position with a different cost base, or hold different positions.</p>

## ITEM 13 – REVIEW OF ACCOUNTS

Item 13.A	<p><b>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</b></p> <p>The Funds’ portfolio is under continuous review with regard to investment policy, the suitability of the investments used to meet policy objectives, cash availability and investment objectives. black-and-white’s Principal and Portfolio Manager reviews the portfolio daily. The Principal and Portfolio Manager reviews, among other things, investment performance, the portfolio’s sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return. In the course of the reviews, the Principal and Portfolio Manager seeks to assure early recognition of any diminution in the value of an investment. Additional or more frequent reviews may be triggered by investment performance, changes in market conditions or other non-market risk analysis.</p> <p>In addition, the Principal and Portfolio Manager generally reviews the portfolio in the event of the realization of certain “events” which drive a contemplated or actual trade or the occurrence of certain other market movements which materially impact the underlying investments of the portfolio.</p> <p>Further, the Chief Compliance Officer periodically reviews trading to ensure consistency with applicable law and regulations.</p>
Item 13.B	<p><b>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</b></p> <p>Please refer to Item 13.A. The accounts are under continuous review.</p>
Item 13.C	<p><b>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</b></p> <p>The Funds will provide to each Investor (i) annual audited financial statements after the end of the Funds’ fiscal year; and (ii) quarterly unaudited account statements, together with a letter from black-and-white discussing the performance of the Funds for the relevant calendar quarterly. In addition, the Onshore Fund will provide information necessary for each limited partner to complete its U.S. income tax returns. The Funds’ financial statements will be prepared in accordance with U.S. generally accepted accounting principles, except that due to the Funds’ intentions to amortize the offering and organizational expenses borne by the Funds, the Funds’ audited financial statements may not be in conformity with U.S. generally accepted accounting principles in this respect. Copies of the audited financial statements will be available at the registered office of the Funds.</p>

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable.</p>
Item 14.B	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>Not applicable.</p> <p>black-and-white does not currently utilize any third party solicitors. In the future, black-and-white may enter into written arrangements with third parties to act as solicitors of clients or for funds managed by black-and-white. All such compensation will be fully disclosed to each client consistent with applicable law.</p>

## ITEM 15 – CUSTODY

**If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.**

black-and-white (or an affiliate) is deemed to have custody of the Funds by virtue of its status as investment manager or general partner, as applicable. The qualified custodians for the Funds are:

Goldman, Sachs & Co.  
555 California Street  
San Francisco, CA 94104

Morgan Stanley & Co. LLC  
555 California Street, 22<sup>nd</sup> Floor  
San Francisco, CA 94104

The Funds may engage other or additional custodians, prime brokers and brokers at any time.

black-and-white complies with the provisions of the “Pooled Vehicle Annual Audit Exception.” Investors receive audited financial statements for the Funds, prepared by an independent accounting firm that is registered with and subject to inspection by the Public Company Accounting Oversight Board, generally within 120 days of the end of the Funds’ respective fiscal years (*i.e.*, generally by April 30). Investors should carefully review the audited financial statements of the Funds.



## ITEM 16 – INVESTMENT DISCRETION

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

black-and-white has discretionary authority to manage the Funds and is authorized to make purchase and sale decisions for the Funds.

As explained in Item 4.C and Item 8 above, each Fund's investment strategy is set forth in detail in a confidential private offering memorandum or similar document. Investors in the Funds do not have the ability to impose limitations on black-and-white's discretionary authority. Prospective investors should carefully review offering documents prior to making an investment and should consult with their legal, tax, or other advisors prior to making any investment. Investors must also execute a subscription agreement (and, for certain Funds, a limited partnership agreement or a similar governing document) in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool and grant black-and-white a power of attorney to act on behalf of the Funds and their Investors.

## ITEM 17 – VOTING CLIENT SECURITIES

<p><b>Item 17.A</b></p>	<p><b>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</b></p> <p>black-and-white has authority to vote securities on behalf of the Funds. Investors do not have authority to direct black-and-white's vote in a particular solicitation.</p> <p>black-and-white has adopted proxy voting policies and procedures that address how black-and-white votes proxies. Prior to voting any proxies, the Director of Operations and select member(s) of black-and-white's investment team determine if there are any material conflicts of interest related to the proxy in question. If no material conflict is identified, the Director of Operations or select member(s) of black-and-white's investment team determine the manner in which to vote the proxy in question in accordance with black-and-white's internal guidelines. black-and-white may not vote every proxy. There may be times when refraining from voting is in the Funds' best interests, such as when black-and-white's analysis of a particular proxy reveals that the cost of voting the proxy may exceed the expected benefit to the Funds (e.g., casting a vote in a foreign security may require that black-and-white engage a translator or travel to a foreign country to vote in person).</p> <p>black-and-white keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each request for proxy voting records and black-and-white's response for the previous five years. Clients can obtain (i) a copy of black-and-white's proxy voting policies and procedures; and/or (ii) information on how black-and-white has voted proxies with respect to the Funds' securities by contacting <a href="mailto:operations@bandwcap.com">operations@bandwcap.com</a>.</p>
<p><b>Item 17.B</b></p>	<p><b>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</b></p> <p>Not applicable.</p>

## ITEM 18 – FINANCIAL INFORMATION

Item 18.A	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> <li>1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.</li> <li>2. Show parenthetically the market or fair value of securities included at cost.</li> <li>3. Qualifications of the independent public accountant and any accompanying independent public accountant’s report must conform to Article 2 of SEC Regulation S-X.</li> </ol> <p>Not applicable.</p>
Item 18.B	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p>black-and-white is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Funds.</p>
Item 18.C	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable.</p>