# Black Swift Group, LLC

2595 Canyon Blvd. Ste 330
Boulder, CO 80302
(303) 955-4381

www.blackswiftgroup.com

March 27, 2026

This Form ADV 2A ("Brochure") provides information about the qualifications and business practices of Black Swift Group, LLC (the "Adviser"), a registered investment adviser located in the state of Colorado. If you have any questions about the contents of this Brochure, please contact Black Swift at (303) 955-4381 or email compliance@blackswiftgroup.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

This Brochure does not constitute an offer, solicitation, or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of account documents and other similar materials that contain a description of the material terms relating to such securities, products, or services.

Black Swift Group, LLC is registered with the SEC. However, this registration, while required by law, does not indicate any established level of skill or training on our part. Additional information about Black Swift Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

**ITEM 2: MATERIAL CHANGES**

This section discusses material changes made since the last annual update of our brochure.
Black Swift Group had the following material changes since our last annual ADV Part 2A Brochure filing on March 31, 2025. Further detail is in each corresponding section. Clients and prospective clients are encouraged to read this Brochure carefully in its entirety.

Black Swift Group made changes to update the office address and remove references to the Black Swift Partners Fund, LP.

Item 7: Type of Clients: Updated the minimum account size from $1,000,000 to $2,000,000 for separately managed accounts.

**ITEM 3: TABLE OF CONTENTS**


Item 2: Material Changes ..... 2
Item 3: Table of Contents ..... 3
Item 4: Advisory Business ..... 4
Item 5: Fees and Compensation ..... 6
Item 6: Performance-Based Fees and Side-By-Side Management ..... 9
Item 7: Types of Clients ..... 10
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss ..... 11
Item 9: Disciplinary Information ..... 23
Item 10: Other Financial Industry Activities and Affiliations ..... 24
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..... 25
Item 12: Brokerage Practices ..... 27
Item 13: Review of Accounts ..... 30
Item 14: Client Referrals and Compensation ..... 31
Item 15: Custody ..... 32
Item 16: Investment Discretion ..... 33
Item 17: Voting Client Securities ..... 34
Item 18: Financial Information ..... 35

**ITEM 4: ADVISORY BUSINESS**

Black Swift Group, LLC ("Black Swift," "Adviser," or "Firm") is an investment adviser registered with the Securities and Exchange Commission ("SEC"). Black Swift was formed in 2016 and is organized as a Colorado limited liability company. The Firm is headquartered in Boulder, Colorado, and is principally owned and controlled by Greg Casals, the Firm's Managing Member.

Black Swift provides discretionary investment management services primarily to high-net-worth individuals, corporations, trusts, foundations, and other entities through separately managed accounts ("SMAs"). Black Swift also serves as the investment adviser to three private funds: the Black Swift Special Situations Fund, LP; the Pro Cyclist Fund, LP; and the Pro Cyclist Institutional Fund, LP (together, the "Funds"). The Funds are structured as U.S. limited partnerships. Collectively, SMAs and Funds are referred to as "Accounts."

Separately Managed Accounts (SMAs)

We manage SMAs on a discretionary basis in accordance with the terms and conditions set forth in each client's investment management agreement. Our services include:

- Establishing investment objectives based on factors such as the client's time horizon, liquidity needs, and risk tolerance;
- Managing the client's portfolio, including buying, selling, and reallocating securities as necessary;
- Periodically reviewing and discussing with clients their portfolio holdings, performance, and valuations.

We select equity securities through a diversified approach that combines index investing, sector allocation, and specific company selection. Our strategy incorporates both a top-down investment approach, utilizing indices, sector baskets, and individual equities to capture economic and sector trends, and fundamental, bottom-up analysis.

We also utilize fixed income securities to enhance returns, generate income, and manage portfolio volatility. Fixed income investments may include closed-end funds, structured credit, preferred securities, corporate bonds, Treasuries, agency securities, or other credit instruments. Alternative investments, such as investments in private funds (including Black Swift's Funds) or niche strategies, may be used to provide further diversification. Derivative instruments, such as options, may be employed to hedge exposures or to manage capital efficiently.

We tailor our services to each client's specific investment objectives and financial circumstances, typically established through one or more meetings. Clients may impose reasonable restrictions on investing in certain securities or types of securities. We maintain a risk tolerance questionnaire for each SMA client, updated periodically as needed.

Private Funds

Black Swift Partners, LLC ("Black Swift Partners"), a Delaware limited liability company and affiliate of Black Swift, serves as the general partner to the Funds. Black Swift Partners has sole and complete

discretionary authority over the Funds and has delegated investment management responsibilities to Black Swift.

- Black Swift Special Situations Fund, LP invests in niche credit and equity opportunities. It may also invest in fixed income instruments, equities, ETFs, options, and third-party managed investment funds. The Fund may use leverage and derivatives.

- Pro Cyclist Fund, LP and Pro Cyclist Institutional Fund, LP invest primarily in equities and ETFs, and may establish short positions in index ETFs and single stocks. These Funds may also use leverage, derivatives, private investments, and closed-end funds.

Complete information about the Funds, including fees, minimum investment requirements (if applicable), and termination provisions, is provided in each Fund's private offering documents.

Financial Planning

Black Swift may provide financial planning services designed to assist clients in defining and pursuing their financial goals. Financial planning services are tailored to the individual needs of the client and may include:

- Retirement planning
- Cash flow and budgeting analysis
- Investment planning and asset allocation
- Tax planning
- Social Security Optimization
- Education funding analysis
- Estate Planning
- Account Aggregation and Tracking
- Risk Tolerance Assessment

Black Swift gathers information regarding the client's assets, liabilities, income, expenses, risk tolerance, time horizon, and financial objectives and uses that information to develop interactive financial scenarios.

Upon generation of the interactive financial scenarios, the client may choose whether to implement the recommendations through Black Swift. The client is under no obligation to implement recommendations through Black Swift. Black Swift does not charge separately for financial planning services.

Assets under Management

As of January 31, 2026, Black Swift managed $694,068,325 in assets on a discretionary basis. Black Swift does not currently manage any assets on a non-discretionary basis.

## ITEM 5: FEES AND COMPENSATION

In consideration for our advisory services, we generally receive management fees from our clients. The fees applicable to each client are described in detail in the applicable account documents. A brief summary of our basic fee schedule is provided below.

Investment Management Fees – SMAs

**Annualized Fees**

Clients are generally charged an annual management fee of 1% of assets under management, billed quarterly in advance, subject to a minimum quarterly fee.

We may negotiate the amount of management fees depending upon the circumstances of each client, including, but not limited to, account composition, account complexity, and other client, employee, or family relationships, which may result in different fees being charged for accounts that are similar in composition and objectives. Our employees and their family-related SMAs may be charged a reduced fee for our services.

The SMA custodian may charge fees, which are separate from and in addition to advisory fees. SMAs may also incur transaction costs and other fees. Clients should note that fees for comparable services vary, and lower or higher fees may be charged by other providers for similar services.

Either party may terminate the advisory agreement upon written notice. Unless otherwise agreed to in writing, the termination of the advisory agreement will be effective within five (5) business days of receipt of the termination notice. If Client terminates the advisory agreement before the end of a calendar quarter that has already been billed, Black Swift will promptly refund any unearned portion of the advisory fee. The refund will be calculated on a pro-rata basis based on the number of days remaining in the billing period following the effective termination date. Refunds will generally be processed within 15 business days following termination. Black Swift does not impose any termination fees or penalties.

With respect to SMAs, the advisory fee is payable quarterly in advance, within ten days of the start of each quarter. The fee is calculated as a percentage of the market value of all assets in the Account, with short positions valued at their absolute value, on the last day of the preceding calendar quarter. The custodian is instructed by the Adviser to debit the fee directly from the SMA. The custodian will pay the amount communicated by the Adviser and is under no obligation to verify the fee calculation. Internal audits are conducted periodically by the Adviser to confirm that the fees charged to SMAs are correct. Any discrepancies identified between the fees charged and the results of the audit will be corrected and offset in the subsequent billing cycle. Clients receive periodic statements from their custodian showing the amount of advisory fees charged and are encouraged to review these statements and confirm the accuracy of the charges.

If a client contributes additional assets to their SMA during a quarter, such assets are billed in arrears at the next fee billing period. If a client's relationship with us begins or ends on any date other than the last day of a calendar quarter, the client's fees are prorated for the applicable number of days completed or remaining in the quarter.

In addition to management fees, clients are responsible for all brokerage commissions and other fees or charges associated with securities transactions executed through brokerage firms, stock exchange fees, and other charges mandated by law or regulation. We do not receive any portion of these transaction costs or fees. See "Brokerage Practices" below for a further description of the factors Black Swift considers in selecting broker-dealers for client transactions and in determining the reasonableness of their compensation (e.g., commissions).

Clients should understand that mutual funds, exchange traded funds, private funds, or other investment products in which client assets may be invested by us or by others impose separate investment management fees and other operating expenses, described in such funds' prospectuses or private placement memorandums, for which the client will be charged separately from the fee paid to us.

Clients should be aware that similar or comparable services may be available from other firms including other investment management firms at a cost higher or lower than that available through Black Swift.

Investment Management Fees – Funds

We serve as the investment adviser to the Black Swift Special Situations Fund, LP, the Pro Cyclist Fund, LP, and the Pro Cyclist Institutional Fund, LP (together, the "Funds"). Each Fund pays us an annual management fee based on the net asset value of each investor's interest.

For the Black Swift Special Situations Fund, LP the management fee is generally one percent (1%) of the net asset value of each investor's interest. For the Pro Cyclist Fund, LP, qualified clients under Rule 205-3 of the Investment Advisers Act of 1940 pay a management fee of one percent (1%), while non-qualified clients pay two and a half percent (2.5%). The Pro Cyclist Institutional Fund management fee rate is generally one percent 1% of the net asset value of each investor's interest.

We may, at our discretion, reduce or waive the management fee for any investor. Each Fund pays the management fee monthly in advance.

In addition to management fees, the Black Swift Special Situations Fund, LP allocates a performance-based fee to Black Swift Partners LLC, the Funds' general partner and our affiliate. This performance allocation equals ten percent (10%) of each qualified investor's share of the Fund's net profits for the fiscal year, subject to a high-water mark. Investors who are non-qualified are not assessed a performance-based fee. For the Pro Cyclist Fund, LP and the Pro Cyclist Institutional Fund, LP, the performance allocation is twenty percent (20%) of each investor's share of net profits, also subject to a high-water mark.

We may, in our sole discretion, reduce or waive the performance allocation for any investor. In certain cases, including where investors do not meet the standards for performance fees under Rule 205-3 of the Advisers Act, the performance allocation may not be charged.

Each Fund generally bears its own expenses, including but not limited to:

- Organizational and offering expenses;
- Expenses related to investments and potential investments, including travel costs and brokerage commissions;
- Legal, compliance, administrative, marketing, accounting, audit, and insurance expenses;
- Custodial fees;

- Interest;
- Costs for research, statistical, and market data services;
- Technology and software expenses; and
- Extraordinary expenses, such as litigation.

We select broker-dealers based on factors described in "Brokerage Practices," including the value of Research Products and Services received.

This summary does not include all fees and expenses charged to the Funds. Current and prospective investors should carefully review the private placement memorandum or other offering documents for each Fund for detailed fee information. The information in this brochure is qualified in its entirety by those offering documents.

**Valuation of Securities in Determining Fees**

As described above, investment management fees for Fund accounts are based on the net asset value of each Fund. Performance-based fees, including performance allocations, are calculated based on increases in the net asset value of client accounts, taking into account the investor's high water mark.

The valuation of securities impacts the calculation of these fees. Some securities, including over-the-counter securities and other instruments, may be difficult to value. Black Swift is responsible for determining the value of each security held in client accounts.

Because higher valuations may result in higher fees, Black Swift faces a conflict of interest when valuing securities. To address and mitigate this conflict, Black Swift has adopted a valuation policy that it believes is fair, consistent, and equitable.

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

As described in "Fees and Compensation," the general partner or one or more of its affiliates may be entitled to receive a performance allocation from the Black Swift Special Situations Fund, LP, the Pro Cyclist Fund, LP, or the Pro Cyclist Institutional Fund, LP.

Black Swift has developed and implemented policies and procedures, including detailed allocation policies, designed to ensure that all Accounts are treated fairly and equitably over time and to prevent conflicts of interest from unduly influencing the allocation of investment opportunities among Accounts. For a description of these procedures, please see "Aggregation and Allocation of Orders."

The use of performance-based compensation creates a potential conflict of interest. Black Swift has an incentive to:

- Select investment strategies for the Funds that involve a higher degree of risk in an effort to increase performance and associated fees; and
- Allocate investment opportunities to Accounts that are subject to a performance-based fee.

Black Swift also manages SMA portfolios that are not subject to performance-based fees, creating an additional incentive to favor Accounts that pay a performance fee. Despite these potential conflicts, Black Swift seeks to fulfill its fiduciary duty to all clients and treat all Accounts fairly.

Current and prospective investors should carefully review the private placement memorandum or other offering documents for each Fund for detailed information regarding fees, expenses, and conflicts associated with an investment in a Fund. The information provided in this Brochure is a summary only and is qualified in its entirety by such offering documents.

**ITEM 7: TYPES OF CLIENTS**

Black Swift provides investment management services to individuals, estates, corporations, trusts, foundations, and other entities. Generally, Black Swift requires a minimum of $2,000,000 in assets under management for separately managed account ("SMA") clients. However, Black Swift may, at its discretion, accept SMA clients with assets below this minimum or continue to manage accounts that fall below the minimum due to changes in market value. Related accounts, such as family or corporate accounts, may be aggregated to meet the minimum requirement.

The conditions for investing in the Funds managed by Black Swift, including minimum investment amounts, are described in each Fund's offering documents. The current minimum investment for the Funds is $500,000. Black Swift may, in its discretion and subject to applicable law, waive the minimum investment requirement.

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

Methods of Analysis and Investment Strategies

### SMAs

We utilize multiple methods of investment analysis and various investment strategies in providing services to our clients. Our primary method of investment analysis is fundamental analysis, which involves evaluating conditions and factors such as global economic cycles, geopolitical developments, business trends, market conditions, valuations, company financial statements, management quality, competitive advantages, market positioning, and other relevant considerations.

We may recommend investments in, among other things, equity securities (including exchange-listed securities, over-the-counter securities, and foreign issues), warrants, corporate debt securities, certificates of deposit, municipal and government securities, investment company securities (such as mutual fund shares and exchange-traded funds), and options contracts on securities. In addition to publicly traded securities, we may also invest in private investment funds and/or other alternative investment satellite strategies. Our investment strategies include long-term purchases (securities generally held for at least one year) and short-term purchases (securities generally held for less than one year).

We may manage multiple portfolios with similar or identical investment objectives or portfolios with differing objectives that invest in the same securities. Despite such similarities, investment decisions and the resulting performance may differ among clients. Black Swift does not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients, particularly where clients have selected different investment profiles, have materially different amounts of capital under management, or maintain different levels of investable cash. In certain circumstances, such as purchases of less liquid publicly traded securities or participation in oversubscribed public offerings, it may not be possible or practicable to allocate transactions pro rata among all eligible clients, particularly where clients maintain materially different portfolio sizes. Accordingly, not all clients will participate in the same investment opportunities or on the same basis.

### Funds

**Black Swift Special Situations Fund, LP**

Black Swift Special Situations Fund, LP invests in niche credit and equity investments, which may include real estate limited partnerships. The Fund may also invest in other fixed income securities, exchange-traded equities, and private investments, including limited partnership interests. The Fund has the ability to employ leverage and to invest in derivative instruments.

**Pro Cyclist Fund, LP**
**Pro Cyclist Institutional Fund, LP**

Pro Cyclist Fund, LP and Pro Cyclist Institutional Fund, LP seek to provide long-term capital appreciation, primarily through investments in liquid assets such as stocks, bonds, exchange-traded funds, mutual funds, money market funds, options, cash, and cash equivalents. The Funds are also designed with the

objective of limiting overall portfolio volatility and preserving capital during adverse market conditions. Black Swift donates a portion of the management fees from the Funds annually to the Pro Cyclist Foundation, a 501(c)(3) nonprofit, tax-exempt charitable organization. This recurring donation provides an ongoing source of funding for the Foundation and enables investors to support the Foundation by selecting the Funds as an investment allocation within their portfolios.

General Risks

**Reliance on Key Personnel.** The investment operations of Black Swift are substantially dependent upon the skill, judgment and expertise of Greg Casals, the Managing Member of Black Swift. The death, disability, or other unavailability of Greg Casals could be material and adverse to clients. Black Swift maintains a succession plan for key personnel.

**Affiliated Clients.** Black Swift and its affiliates manage Accounts that pursue similar investment strategies and may hold overlapping investments. Negative developments regarding the investments or other aspects of one or more Accounts, dispositions by any such Account of investments also held by other Accounts, or significant withdrawals from any such Account may have an adverse effect on other Accounts.

**Withdrawals or Redemptions.** To the extent that Accounts hold overlapping investments, withdrawals or redemptions by certain investors could require the liquidation of securities positions more rapidly than would otherwise be desirable, which could adversely affect the value of the interests of both the withdrawing or redeeming investors and the remaining investors participating in the same Funds or other SMAs by potentially requiring liquidations of certain positions by one or more Accounts (which could serve to diminish the value of such positions for Accounts that continue to hold them), satisfying the available demand in the market, thus impairing the ability of an Account to liquidate its investments or in certain instances forcing the applicable Account to liquidate positions at a time other than when Black Swift would elect to do so. Any such withdrawal, redemption or liquidation may have a material adverse effect on an Account.

**Risks Associated with Use of Brokers.** Black Swift is responsible for choosing the brokers, dealers and other counterparties used for each Account's securities transactions. Although various legal protections are intended to preserve the net claims that a client may have in relation to a U.S. broker-dealer, a failure in the creditworthiness of a broker, dealer or counterparty, or the default, delay or inability or refusal of a broker, dealer or counterparty to perform could nevertheless result in a loss of all or a portion of an Account's investments with or through such broker, dealer or counterparty.

**Order Execution.** Black Swift seeks to execute orders for all of its Accounts on an equitable basis (taking into account, among other factors, each Account's investment strategies, objectives, constraints and guidelines.) Although Black Swift will seek to use brokerage firms that will provide superior execution capability to the Account, there is no assurance that all transactions will be executed with optimal quality.

**Portfolio Valuation.** Valuations of an Account's portfolio affect the amount of the management fee as well as the subscription and withdrawal/redemption prices received by investors in Funds. Recent disruption and volatility in U.S. and global markets have created challenges in determining the value of investments and recent regulatory pronouncements have changed the way that valuations must be made. For example, a disruption in the secondary markets for an Account's investments may limit the ability of the Account to obtain market quotations for purposes of valuing its investments. Apart from market and

regulatory events, the valuation process inherently involves uncertainties and determinations based on subjective judgments. For example, in limited situations third-party pricing information may not be available, or may be deemed incorrect, or inconsistent with market values in regard to certain securities in the portfolio. In addition, material events occurring after the close of a principal market, upon which a portion of the securities or other investments of the Accounts are traded, may require Black Swift to make a determination of the effect of a material event on the value of the securities or other investments traded on the market for purposes of determining the value of the Account's investments on a valuation date.

Further, because of the overall size and concentrations in particular markets and maturities of positions that may be held by the Account from time to time, the liquidation values of the securities and other investments may differ significantly from the interim valuations of these investments derived from the valuation methods described herein. If the Account's valuation should prove to be incorrect, the value of the investments could be adversely affected. Absent bad faith or manifest error, valuation determinations in accordance with the Firm's valuation policy are conclusive and binding.

**Reliance on Technology.** Certain Black Swift trading strategies and critical aspects of its operations are reliant on technology, including hardware, software, and telecommunications systems. Significant parts of the technology used in the management of Accounts are provided by third parties and are therefore beyond Black Swift's direct control. Forecasting, trade execution, data gathering, risk management, portfolio management, compliance and accounting systems all are designed to depend upon a high degree of automation and computerization. Although Black Swift seeks, on an ongoing basis, to ensure adequate backups of software and hardware where possible and Black Swift will attempt to conduct adequate due diligence and monitoring of providers, if such efforts are unsuccessful or inadequate, software or hardware errors or failures may result in errors, data loss and/or failures in trade execution, risk management, portfolio management, compliance, or accounting. Errors or failures may also result in the inaccuracy of data and reporting or the unavailability of data or vulnerability of data to the risk of loss or theft. Errors may occur gradually, and once in the code may be very hard to detect and can potentially affect results over a long period of time. If an unforeseeable software or hardware malfunction or problem is caused by a defect, virus or other outside force, Black Swift may be materially adversely affected and may potentially be exposed to theft (of data or other assets). In addition, a provider may cease operations or be relatively thinly capitalized and Black Swift's ability to be made whole after any loss may be compromised as a result.

**Risks Related to Cybersecurity**. Black Swift, its service providers, its counterparties and other market participants on whom Black Swift relies increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a Black Swift Fund and/or their investors, despite the efforts of Black Swift, its service providers, its counterparties and other market participants on whom Black Swift relies to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to Black Swift, clients or their investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of or prevent access to these systems of Black Swift, its service providers, its counterparties and other market participants on whom Black Swift relies or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of systems to disclose sensitive information in order to gain access to Black Swift's data or that of its investors. A successful penetration or circumvention of the security of Black Swift's systems or the systems of Black Swift's service providers, counterparties or other market participants on whom Black Swift relies

could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause Black Swift's clients, Black Swift, their service providers, their counterparties and other market participants on whom Black Swift relies to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for many portfolio companies, which could have material adverse consequences for such investments, and may cause clients' investments to lose value.

**Force Majeure**. Black Swift and its clients may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemics or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.) Investment advisory activities and Black Swift's operations could be adversely affected by such events outside of Black Swift's control. Black Swift, its clients, their service providers and counterparties may incur expenses, delays, or interruption of critical business functions relating to such events outside of their control, which could have adverse impacts on their respective investment advisory businesses. Such adverse impacts could, in turn, adversely affect the performance of clients.

Additional Risks

**Market Risks in General.** Black Swift's strategies are subject to some dimension of market risk, including, but not limited to, changes in the regulatory environment, "flights to quality," and "credit squeezes." The particular or general types of market conditions in which a client portfolio may incur losses or experience unexpected performance volatility cannot be predicted, and the portfolio may materially underperform other investment funds with substantially similar investment objectives and approaches.

**Investment and Trading Risks.** Accounts typically invest in and actively trade securities and other financial instruments using strategies and investment techniques with significant risk characteristics, including, but not limited to: risks arising from the volatility of the equity, fixed income and currency markets, the risks of short sales, the risks of leverage, the potential illiquidity of derivative instruments, the risk of loss from counterparty defaults and the risk of borrowing to meet withdrawal requests. Depending upon the Account, the applicable investment program may utilize such investment techniques as margin transactions, option transactions, short sales, and forward contracts, which involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which such Account may be subject. No guarantee or representation is made that any Account's investment program or overall portfolio, or various investment strategies utilized, or investments made, will have low correlation with each other or with the U.S. equity market or the U.S. bond market. All Account investments risk the loss of capital. No guarantee or representation is made that an Account's investment program will be successful, that such Account will achieve its targeted returns or that there will be any return of capital invested, and investment results may vary substantially over time.

**Illiquid Investments.** Black Swift may invest Accounts in instruments that do not have a significant secondary market. Due to the illiquid nature of many of the positions, as well as the uncertainty of the

success of their issuers, Black Swift is unable to predict with confidence what the exit strategy will ultimately be for any given portfolio investment, or that one will definitely be available.

**Borrowing and Leverage.** Accounts may borrow money to invest in additional securities. This practice significantly increases market exposure and risk. When borrowed money is utilized, investments purchased may increase or decrease in value more than if borrowed money had not been used (possibly by multiples, depending upon the degree of leverage employed at such time). In addition, the interest that must be paid on borrowed money will reduce the amount of any potential gains or increase any losses. The use of leverage may also result in increased management fees charged by Black Swift, as fees are based on the value of the assets at the end of each quarter, with securities held short valued at their absolute value.

**Diversification Risk.** Certain Account portfolios are concentrated in a limited number of investments. A consequence of a limited number of investments is that the aggregate returns realized by such an Account may be substantially adversely affected by the unfavorable performance of a small number of such investments. Depending upon the investment strategy, investments could potentially be concentrated in relatively few types of securities, industries, or markets. In addition, an Account may not be limited in the proportion of its assets that may be invested in a single issuer, which would increase the impact of adverse movements in the value of the securities of a single issuer upon such Account. Investments in unrated fixed income instruments in which the Funds may invest, while generally providing greater opportunity for gain and income than investments in higher rated instruments, usually entail greater risk. Black Swift has no specified diversification policies as to the percentage of a client's assets that may be invested in any particular security. A client's portfolio may also consist of substantially fewer portfolio investments than anticipated if Black Swift is unable to identify or execute on appropriate opportunities.

**Investment Turnover.** Black Swift sometimes engages in short-term trading which may involve selling securities within 30 days of purchasing them, including same-day transactions. This turnover can affect performance, particularly through increased brokerage commissions and fees, taxes and other transaction costs.

**Short Sales.** Black Swift sometimes engages in short selling. Short selling involves selling securities that may or may not be owned by the seller and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Currency Exchange Exposure and Currency Hedging.** Although Accounts will be denominated in U.S. Dollars, investments may be made in non-U.S. currencies. Black Swift will generally seek to hedge (in whole or in part) investments denominated in non-U.S. currencies to attempt to minimize the effect of fluctuations in the exchange rate with U.S. Dollars. As it is impossible to predict the future performance of the U.S. Dollar and any applicable non-U.S. currency, it is likely that investments will always be over- or under-hedged against currency rate exchange risks. In addition, Black Swift may choose not to enter into hedging transactions with respect to some or all of its positions that are exposed to currency exchange risk.

**Derivative Instruments.** Black Swift may invest in derivative instruments, or "derivatives," which include instruments and contracts that are derived from and are valued in relation to one or more underlying securities, commodities, events, financial benchmarks, or indices. Derivatives typically allow an investor to hedge or speculate upon the price movements of the underlying asset typically at a fraction of the cost of acquiring, borrowing, or selling short such assets. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading.

**Call Options.** There are risks associated with the sale and purchase of call options. The seller (writer) of a call option that is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing the buyer's entire investment in the call option. If the buyer of the call sells short the underlying security, however, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security.

**Put Options.** There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received and gives up the opportunity for gain on the short position for values of the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing the buyer's entire investment in the put option. If the buyer of the put holds the underlying security, however, the loss on the put will be offset in whole or in part by any gain on the underlying security.

**Hedging Transactions.** Certain Accounts employ hedging techniques. These techniques could involve a variety of derivative instruments, including but not limited to: swaps, futures contracts, exchange-listed and OTC put and call options on securities, financial indices, forward foreign currency contracts and various interest rate transactions (collectively, "Hedging Instruments.") Hedging techniques involve risks different from those of underlying investments. In particular, the variable degree of correlation between price movements of Hedging Instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of the applicable Account's positions. In addition, certain Hedging Instruments and markets may not be liquid in all circumstances. As a result, in volatile markets, Black Swift may not be able to close out a transaction in certain of these instruments without incurring losses substantially greater than the initial deposit.

Although the contemplated use of these instruments should tend to minimize the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain that might result from an increase in the value of such position. The ability to hedge successfully will depend on Black Swift's ability to predict pertinent market movements, which cannot be assured. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations.

**Closed-End Funds and Exchange Traded Funds.** Certain Accounts invest in closed-end funds and exchange traded funds ("ETFs"), or other similar products. Accounts will incur higher expenses when investing in closed-end funds and ETFs. ETFs and closed-end funds may trade at prices that vary from their net asset value, sometimes significantly. Performance of an ETF pursuing a passive index-based strategy may diverge from the performance of the index. The shares of closed-end funds frequently trade at a discount to their net asset value and may not be able to outperform their benchmark. There is also the risk of loss that one fund may sell an investment the other fund is buying.

ETFs that invest in collateralized loan obligations ("CLOs") are subject to risk associated with the underlying portfolios of leveraged loans held by CLO structures. CLOs are backed primarily by pools of senior secured bank loans made to below-investment-grade borrowers, which exposes investors to credit risk, including the possibility that underlying borrowers may default or experience financial distress. Although certain CLO tranches may be rated investment grade or higher, their value can still decline due to changes in the credit quality of the underlying loan pool, deterioration in collateral coverage tests, or adverse market conditions. Even though an ETF may primarily invest in investment grade tranches, the rating is not guaranteed and may be downgraded. CLO securities may also be subject to liquidity risk and may trade in less active secondary markets, which can make them more difficult to value or sell at favorable prices during periods of market stress. ETFs investing in CLOs may experience price volatility related to interest rate movements, loan market conditions, and structural features of CLO securities, including payment priorities and reinvestment risk. In addition, because the ETF itself trades on an exchange, its market price may fluctuate and may trade at a premium or discount to its net asset value.

**REITS.** Black Swift invests a portion of certain clients' assets in Real Estate Investment Trusts ("REITs"), which would subject clients to certain risks associated with direct investments in REITs. REITs may be affected by changes in the value of their underlying properties and by defaults by borrowers or tenants. Furthermore, REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. REITs depend generally on their ability to generate cash flow to make distributions to shareholders, and certain REITs have self-liquidation provisions by which mortgages held may be paid in full and distributions of capital returns may be made at any time. In addition, the performance of a REIT may be affected by changes in the tax laws and by failure to qualify for tax-free pass-through of income.

**Volatility-Linked ETNs**. Black Swift invests certain clients' assets in volatility-linked exchange-traded notes ("ETNs"), which subjects clients holding ETNs to various risks associated with these debt obligations. These notes are subject to credit risk due to the fact that ETNs are unsecured debt obligations of the issuer. If the issuer declares bankruptcy, investors in an ETN could lose their entire investment. ETNs also have a set of maturity dates, but some can be called at any time, which would in effect force an investor to cash out of that investment, regardless of a client's desire. There is market risk due to fluctuations in the underlying index which affects the note's market value. These notes may be harder to sell in an open market and will pose a liquidity risk to clients. Many notes are designed to be short term trading strategies rather than buy-and-hold investments. Over long periods of time the value between the index and the note may differ significantly. There is a conflict of interest between the client and the issuer of the notes as the issuer may trade in ways that are not beneficial to the client.

**Equity Investments.** Equity securities generally represent equity or ownership interests in an issuer. These include common stocks, preferred stocks, convertible preferred stocks, warrants, and similar instruments. The value of equity securities fluctuates based on changes in a company's financial condition, and on market, economic, and political conditions, as well as changes in inflation and consumer demand.

**Fixed Income Investments.** Fixed income investments are a core component of our investment strategy, offering clients a means to invest based on credit analysis or interest rate forecasts, preserve capital, generate income, and manage portfolio risk. These investments typically include government and corporate bonds, municipal securities, fixed income ETFs, and other debt instruments that provide regular interest payments and return of principal at maturity. We incorporate fixed income securities based on clients' investment objectives, risk tolerance, time horizon, and current market conditions. Our approach emphasizes diversification, credit quality and analysis, and duration management to help stabilize portfolio returns and reduce volatility, particularly in periods of equity market stress.

Risks Relating to the Funds' Strategies

**Potential Loss of Investment.** An investment in the Funds involves a high degree of risk. There can be no assurance that Black Swift's investment objectives will be achieved or that clients will not lose all or substantially all their investment. The Funds managed by Black Swift are not a complete investment program and should represent only a portion of an investor's portfolio management strategy.

**Competition.** Black Swift competes with numerous other private investment funds and financial institutions (both diversified and specialized funds), as well as other investors, many of which have substantially greater resources. The amount of capital committed to "alternative investment strategies" has increased dramatically during recent years. The profit potential of our clients may be materially reduced as a result of the increased competition within the alternative investment field.

**Investment Due Diligence and Research; Reliance on Corporate Management and Financial Reporting**. In certain instances, due diligence information available to Black Swift at the time of an investment decision may be limited and Black Swift may have neither access to adequately granular information nor adequate time to analyze the information necessary for a complete evaluation of the investment opportunity. It is also possible that the due diligence and research conducted may not reveal all the relevant facts and information that may be necessary to evaluate such investment opportunity. In the worst-case scenario, information provided by corporate management or other reporting groups may be manipulated or fraudulent. Clients could incur material losses as a result of the misconduct or incompetence of such individuals and/or a substantial inaccuracy in such information.

**Availability of Investment Opportunities.** There can be no assurance that Black Swift will be able to find suitable opportunities consistent with its investment approach. Market conditions may limit the availability of investment opportunities. Such limitations may cause delays in deploying client's capital and may negatively impact clients' returns.

Certain Risks Related to the Funds' Structure

**Limited Ability to Liquidate an Investment in the Interests.** An investment in the Funds is illiquid. The interests of the Fund's offerings have not been registered under the securities laws of any jurisdiction and are subject to restrictions on transfer. Interests are not transferable except with the prior written consent of Black Swift. There is no market for the interests in the Funds and none is expected to develop. While investors have the ability to withdraw from the Funds upon written notice as provided in each such Fund's governing documents, such withdrawals may be restricted by such Fund's general partner.

**Possible Indemnification Obligations.** The Funds are generally obligated to indemnify Black Swift and its representatives and possibly other parties against any liability they or their respective affiliates may incur in connection with their relationship with the Fund. For a more complete discussion of risks applicable to an investment in the Funds, please refer to the Funds' offering documents.

Risks Relating to Investment Positions Held in Accounts

**Concentration.** The risk that the performance of an Account could be adversely affected by losses may be increased to the extent that the client's portfolio is concentrated in any one issuer, industry, region, or country. An Account may also have disproportionate exposure to certain types of investments. Black Swift has no specified diversification policies as to the percentage of a client's assets that may be invested in any particular security. A client's portfolio may also consist of substantially fewer portfolio investments than anticipated if Black Swift is unable to identify or execute on appropriate opportunities.

**Asset-backed securities.** The fixed income securities in which Black Swift invests may include asset-backed securities, which represent direct or indirect participations in, or are secured by and payable from, pools of assets such as, among other things, debt securities, residential mortgages, commercial mortgages, corporate loans, motor vehicle installment sales contracts, installment loan contracts, leases of various types of real and personal property, and receivables from revolving credit (credit card) agreements or a combination of the foregoing. Payment of interest and repayment of principal on asset-backed securities may be largely dependent upon the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds or other credit enhancements. Asset-backed security values may also be affected if the market for the securities becomes illiquid, there is difficulty valuing the underlying pool of assets, or because of changes in the market's perception of the creditworthiness of the servicing agent for the pool, the originator of the loans or receivables, or the entities providing the credit enhancement.

**Non-Investment Grade Securities**. Certain fixed income securities in which Black Swift may invest could be unrated by a recognized credit-rating agency or be below investment grade, and as a result may be subject to greater risk of loss of principal and interest than higher-rated debt securities. Black Swift may invest Accounts in debt securities which rank junior to other outstanding securities and obligations of the issuer, all, or a significant portion of which may be secured on substantially all of that issuer's assets. Black Swift may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Client portfolios will therefore be subject to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

**RMBS**. Holders of residential mortgage-backed securities ("RMBS") bear various risks, including credit, prepayment market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and the securities issued are guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the mortgaged property is located, the terms of the mortgage loan, the borrower's "equity" in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy

and difficult process and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Investments in RMBS may experience losses or reduced yield if, for example, (i) the borrower of an underlying residential mortgage loan defaults or is unable to make payments, (ii) the underlying residential mortgage loans are prepaid, (iii) there is a general decline in the housing market, or (iv) violations of particular provisions of certain federal laws by an issuer of RMBS limit the ability of the issuer to collect all or part of the principal of or interest on the related underlying loans.

**Distressed and Bankrupt Companies.** Black Swift may invest Accounts in securities, claims, and obligations of issuers which are experiencing (or may come to experience) significant financial or business difficulties. Black Swift anticipates that it may invest in distressed securities and instruments (or securities and instruments that become distressed) of all kinds, none of which are publicly traded. In some cases, debt instruments purchased by Black Swift will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. Distressed securities and obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to an investment in any instrument, and a significant portion of the obligations and securities in which Black Swift invests client portfolios are expected to be less than investment grade. The level of analytical skill, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that Black Swift will correctly evaluate the value of the assets collateralizing a portfolio's loans or the prospects for a successful reorganization or similar action.

**Bank Loan Assignments and Participations**. In addition to the risks associated with a default by the borrowers, risks associated with these obligations include, without limitation, the following: (i) there may be an inadequate perfection of a loan's security interest; (ii) the possible invalidation or compromise of an investment transaction as a fraudulent conveyance or preference under relevant creditors' rights laws; (iii) lender liability claims by the issuer of the bank loan obligations; (iv) the validity and seniority of bank claims and guarantees; (v) depreciation in value and environmental (or other) liabilities that may arise with respect to collateral securing the obligations; (vi) adverse consequences resulting from participating in such instruments through or with other institutions with lower credit quality; (vii) limitations on the ability of Black Swift to directly enforce a client's rights with respect to loans held via participation; (viii) increased counterparty risk due to uncertainty in the length of settlement periods; and (ix) conflicts of interest between and among clients, Black Swift, the agents on such loans and other lenders that may compromise a client's ultimate recovery. Clients may acquire interests in loans either directly, by way of assignment or indirectly, for example, by way of participation. In the case of a participation, the client would have the right to receive payments of principal, interest, and any fees to which it is entitled under the participation only from the selling institution and only upon receipt by the selling institution of such payments from the obligor. The client may have to assume the credit risk of both the obligor and the selling institution. In addition, when the client holds a participation in a debt obligation, the client may not have the right to vote to waive enforcement of any default by an obligor. Selling institutions commonly reserve the right to administer the debt obligations sold by them as they see fit and to amend the documentation evidencing such debt obligations in all respects. A selling institution voting in connection

with a potential waiver of a default by an obligor may have interests different from those of the client, and the selling institution might not consider the interests of the Funds in connection with its vote.

**Equitable Subordination.** Under common law principles that sometimes form the basis for lender liability claims, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors. Black Swift does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine. However, the Accounts may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

**Private Debt.** Private debt obligations are generally unrated or below investment grade rated investments that have greater credit and liquidity risk than more highly rated debt obligations. Private debt obligations are typically issued in traditional private placements or in connection with acquisitions and other business combinations and have no trading market. Moreover, private debt obligations may be unsecured and subordinate to other obligations of the obligor and are subject to many of the same risks as those associated with high-yield debt obligations. Adverse changes in the financial condition of the issuer of private debt obligations, or in general economic conditions, or both may impair the ability of the obligor to make payment of principal and interest. Issuers of private debt obligations may be highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations.

**Interest Rate Risk.** Black Swift invests in fixed income securities, which are generally exposed to interest rate risk. Interest rate risk refers to the risk that the value of a fixed income security will change in response to changes in prevailing interest rates. The relationship between interest rates and fixed income securities is inverse: when interest rates rise, the value of existing fixed income securities generally falls, and when interest rates fall, the value of fixed income securities generally rises. This is because fixed income securities, such as bonds, typically pay a fixed interest rate, which becomes less attractive to investors when prevailing interest rates rise. The duration of a fixed income security is an important factor in determining the level of interest rate risk. Duration is a measure of the sensitivity of a bond's price to changes in interest rates. Generally, the longer the duration, the greater the interest rate risk. This means that bonds with longer maturities or lower coupon rates may be more sensitive to changes in interest rates and therefore may have greater interest rate risk.

**Credit Risk.** Fixed income securities are also exposed to credit risk, which is the possibility that the issuer of a fixed income security will default on its obligation to pay interest and/or principal, which could cause a fixed income securities holder to lose money. Corporate fixed income securities rated BBB or above by Standard & Poor's are generally considered to carry moderate credit risk. Corporate fixed income securities rated lower than BBB are considered to have significant credit risk. Of course, fixed income securities with lower credit ratings generally pay a higher level of income to investors. The financial stability of issuers located in foreign countries may be more precarious than those located in the United States. As a result, credit risk may be greater with foreign issuers of fixed income securities.

**Rule 144A Securities Risk.** Black Swift holds securities issued pursuant to Rule 144A under the Securities Act ("Rule 144A Securities"). Rule 144A securities are securities that are not registered but which are bought and sold solely by institutional investors. Rule 144A securities carry the risk that the liquidity of these securities may become impaired, making it more difficult to sell these securities. In addition, bond liquidity has wide ranging financial impacts, including the price investors are willing to pay for a bond and

the yield the bond offers. Black Swift will determine whether Accounts are eligible to hold 144A securities prior to any purchases.

**Illiquid Securities.** Black Swift may purchase for Accounts securities that are not readily marketable. As such, Black Swift may find it difficult to readily dispose of illiquid investments in the ordinary course of business. In addition, a premature or forced liquidation of a client's holdings is likely to depress the value of many of these securities. Illiquid investments may not have an established trading market. In the absence of an established trading market, Black Swift will, in its sole discretion, value such investments in good faith at each time an Account's net asset value is determined. Accordingly, if a significant amount of Account assets are invested in illiquid investments, the value of the Account will be based in significant part on the valuations determined by Black Swift without reference to an established market for such investments.

**Systemic Risk.** World events and/or the activities of one or more large participants in the financial markets and other events or activities of others could result in a systemic breakdown in the operation of financial markets. Such events could result in Accounts losing substantial value.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH OUR INVESTMENT STRATEGIES. PROSPECTIVE CLIENTS AND INVESTORS SHOULD READ THIS BROCHURE AND ALL OTHER APPLICABLE DISCLOSURE MATERIALS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.**

**ITEM 9: DISCIPLINARY INFORMATION**

Black Swift does not have any disciplinary information to disclose.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Related Persons

Black Swift Partners, LLC, an affiliate of Black Swift, serves as the general partner to the Black Swift Special Situations Fund, LP, the Pro Cyclist Fund, LP, and the Pro Cyclist Institutional Fund, LP (collectively, the "Funds"). Black Swift serves as the investment manager to the Funds and receives compensation in the form of investment management fees. Black Swift Partners, LLC may also receive performance-based compensation from the Funds.

Because the Funds may generate higher total fees for Black Swift and its affiliates than separately managed accounts ("SMAs"), Black Swift has a conflict of interest when recommending investments in the Funds to its clients. Black Swift seeks to mitigate this conflict through full and fair disclosure to clients.

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

Code of Ethics

Black Swift has adopted and implemented a Code of Ethics that sets forth the ethical and legal framework under which Black Swift and its employees, including partners, officers, and directors, are required to operate. The Code of Ethics is designed to uphold Black Swift's standards of business conduct, emphasize its fiduciary duty to clients, and promote the highest levels of ethical behavior.

The Code of Ethics is intended to:

- Educate employees about our standards of business conduct;
- Emphasize our fiduciary duty and duty of loyalty to clients;
- Protect the confidentiality of client information;
- Detect and prevent conflicts of interest between employees and clients;
- Monitor personal securities transactions by employees;
- Provide ongoing employee training; and
- Establish procedures for enforcement and review of the Code.

Black Swift will provide a copy of its Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Certain securities recommended to SMA clients may involve compensation paid to Black Swift or its affiliates. As a result, Black Swift has an incentive to recommend these products based on the compensation received. In addition, some of Black Swift's proprietary Funds pay a performance-based fee, creating an incentive for Black Swift to recommend investments in the Funds. Although Black Swift seeks to make all recommendations in clients' best interests and in accordance with its duty of care, clients should be aware of these potential conflicts and any associated benefits to Black Swift.

To mitigate these conflicts, SMA clients who invest in Black Swift-managed Funds are not charged additional management fees at the SMA level for their Fund holdings. Instead, clients pay management and performance fees only at the Fund level.

Black Swift employees and the Funds may invest in the same securities purchased for SMA accounts. Employee accounts and Funds, as clients of Black Swift, may be included in aggregated trades alongside client accounts. Black Swift mitigates related conflicts of interest by following its Trade Allocation and Aggregation Procedures and by monitoring employee personal trading activity.

Personal Trading by Employees

Black Swift permits its employees to trade in the same securities as clients. This creates an inherent conflict of interest because employees could potentially trade ahead of client transactions and receive more favorable pricing.

To address this conflict, Black Swift has adopted and implemented a Code of Ethics that requires supervised persons to pre-clear certain personal securities transactions with the Chief Investment Officer

and the Chief Compliance Officer. The Code of Ethics also requires supervised persons to submit quarterly reports of their personal securities transactions and annual reports of their securities holdings.

Certain securities, such as U.S. government obligations, money market instruments, and mutual funds that are not advised or sub-advised by Black Swift, are generally exempt from the pre-clearance requirements.

These procedures are designed to help ensure that client interests are not adversely affected by employee trading activity.

Conflicts of Interest

Employees of Black Swift may buy or sell for their own accounts the same securities that are recommended to client Accounts.

Black Swift is not compensated for recommending or selecting other investment advisers for its clients.

The investment activities Black Swift conducts on behalf of any client Account may be directly or indirectly competitive with the interests of other client Accounts. Conflicts may arise in allocating investment opportunities among Accounts. Black Swift has a fiduciary duty to exercise diligence and care in allocating investments appropriately among client Accounts. To address these conflicts, Black Swift has adopted investment allocation procedures that consider each Account's investment objectives and strategy. Investment opportunities are allocated among Accounts in a manner consistent with Black Swift's fiduciary duty to treat each client fairly and equitably.

Employees are expected to avoid personally benefiting from the short-term market effects of client recommendations. Employee personal securities transactions are subject to regular monitoring for compliance with Black Swift's Code of Ethics.

Employees are also subject to restrictions regarding material non-public information and insider trading. Employees may, based on personal investment considerations, buy or sell securities that Black Swift does not deem appropriate for client Accounts.

## ITEM 12: BROKERAGE PRACTICES

Factors in Selecting or Recommending Broker-Dealers

As part of its fiduciary duty, Black Swift seeks best execution for client transactions, places trades fairly among clients, and exercises diligence and care throughout the trading process. Black Swift has adopted policies and procedures to guide its trading practices, ensure fair treatment of clients, and disclose material conflicts of interest.

When selecting broker-dealers or counterparties, Black Swift considers their ability to provide best execution for an Account, meaning the best net price considering all relevant factors. Factors Black Swift may evaluate include:

- The broker's ability to provide prompt and reliable executions at favorable prices (including commissions, dealer spreads, or markups/markdowns);
- Operational efficiency in processing transactions, including prompt and accurate confirmations and deliveries;
- Financial strength, integrity, and stability;
- Competitiveness of commission rates or equivalents compared to other broker-dealers; and
- Availability and quality of research products or services.

Although Black Swift generally seeks competitive pricing, it does not always select brokers offering the lowest commission rates or transaction costs. Certain transactions may require specialized services that justify higher compensation than would be typical for routine transactions.

Before Black Swift initiates trading with a new broker-dealer, the Chief Compliance Officer reviews the broker's financial stability, where applicable.

Black Swift executes trades through various platforms, including but not limited to Pershing NetX360, Bloomberg, Neovest, or directly through other broker-dealers via verbal orders. Broker selection is generally based on the broker's expertise, capabilities, and the ability to achieve optimal execution.

Research and Other Soft Dollar Benefits

Black Swift does not currently enter into formal soft dollar arrangements. However, Black Swift generally receives access to research provided by broker-dealers used for trading in fixed income securities, equities, options, and private placements. Black Swift does not make separate payments for this research.

To the extent Black Swift receives research services, it does so in a manner consistent with the safe harbor provided under Section 28(e) of the Securities Exchange Act of 1934. While Black Swift believes it does not "pay up" for brokerage services to obtain research, clients should be aware that more favorable pricing may sometimes be available from broker-dealers who do not provide research or ancillary services. Because Black Swift does not bear the cost of the research, an incentive exists to select brokers who provide research, which may create a conflict of interest.

Black Swift seeks to mitigate this conflict by evaluating, in good faith, whether the commission rate or bid-ask spread paid is reasonable in relation to the value of the brokerage and research services received and in keeping with its fiduciary duty to clients.

Soft dollar benefits, if any, may be used for the benefit of all client Accounts, regardless of whether the Accounts generated the soft dollar benefits. As a result, Accounts that do not generate soft dollars may nonetheless benefit from research obtained through soft dollar practices.

The research Black Swift may access includes both proprietary research (created by the broker-dealer) and third-party research (created by other providers). Such research may include information on economic trends, industries, asset classes, pricing services, market data, statistical analyses, credit analyses, and other topics that aid Black Swift's investment decision-making process.

Brokerage for Client Referrals

Black Swift does not refer clients to particular broker-dealers in exchange for client referrals from those broker-dealers.

Directed Brokerage

Black Swift does not allow its clients to direct brokerage.

Aggregation and Allocation of Orders

Black Swift may aggregate trades when it determines that a purchase or sale of an investment is appropriate for more than one client, based on each client's investment objectives, risk tolerance, and time horizon. Black Swift seeks to ensure that all trades:

- Are consistent with the investment objectives and guidelines of each client;
- Are executed consistent with its obligation to seek best execution;
- Do not inappropriately favor or disadvantage any client; and
- Do not result in additional compensation or remuneration to Black Swift.

Clients may not always be treated exactly alike because of differences in their investment strategies, objectives, liquidity needs, diversification requirements, risk profiles, and other factors.

Black Swift seeks to allocate investment opportunities fairly and equitably among clients and will not favor or disfavor any client based on:

- The relative fee structure or amount of fees paid by any client;
- The profitability of any client relationship; or
- Any person's interest in offering or participating in co-investment opportunities outside of a Fund.

When an aggregated order is fully filled, the securities will be allocated among participating client accounts in accordance with Black Swift's Trade Allocation and Aggregation Procedures. If the order is partially filled, securities will be allocated either pro rata or based on client-specific factors, such as

account size, risk tolerance, minimum and maximum position limits, and the need to avoid odd-lot positions.

Allocations may be determined after execution. For example, when purchasing fixed income securities through a competitive bidding process, Black Swift may not know at the time of placing a bid whether it will be successful. In such cases, allocations are made at the end of the day once transactions are confirmed, taking into account relevant factors such as cash availability.

Black Swift maintains books and records that separately reflect, for each account, the aggregated orders and the securities held, bought, and sold for that account.

Cross Trades

Executing cross trades between client accounts presents an inherent conflict of interest because one client could potentially be favored over another. There is also a conflict in determining which client will be the purchaser in a cross trade.

To mitigate these conflicts, Black Swift uses an unaffiliated broker-dealer to facilitate cross trades and seeks to achieve best execution for both the buyer and the seller. All cross trades must be reviewed and approved by the Chief Compliance Officer prior to execution.

When valuing securities involved in a cross trade, Black Swift follows its Valuation Policy. This may include conducting a "bids wanted in competition" ("BWIC") process, in which several broker-dealers are asked to provide bids for the security. Black Swift selects the best available bid to complete the transaction, consistent with its fiduciary duty to clients. If the BWIC process does not yield a reliable valuation — due to limited bids, wide price discrepancies, or other issues — Black Swift may instead rely on its internal valuation procedures while remaining sensitive to potential conflicts.

Black Swift does not receive any commission or fees for executing cross trades. The executing broker-dealer may receive a small markup or fee, which is typically shared equally between the buyer and seller.

Clients may opt out of participating in specific cross trades or elect not to permit cross trades in their accounts by providing written instructions to Black Swift.

**ITEM 13: REVIEW OF ACCOUNTS**

Black Swift's investment team periodically reviews all investment advisory accounts under the oversight of the Chief Compliance Officer. Reviews focus on account risk, performance, and suitability. Reviews may also be triggered by changes in a client's personal, tax, or financial situation, or by macroeconomic or company-specific events. There is no limit on the number of accounts that may be reviewed at any given time.

Clients receive brokerage statements at least quarterly directly from the account custodian. These statements list account positions, activity for the covered period, and other relevant information. Custodians also send trade confirmations following each brokerage transaction unless confirmations have been waived.

For the Funds, Black Swift provides Limited Partners with quarterly written reports containing unaudited performance information and annual financial statements audited in accordance with generally accepted accounting principles ("GAAP").

Black Swift recognizes that appropriate valuation of client investments is critical to ensuring fair and accurate account reporting. Conflicts of interest may arise because valuations can affect marketing efforts, fundraising activities, and Black Swift's management and performance-based compensation. For example, inaccurate valuations could impact the fees payable by clients.

To mitigate these conflicts, Black Swift values client investments according to its Valuation Policy. The Valuation Policy sets forth comprehensive procedures for valuing investments based on investment type. A copy of the Valuation Policy is available to clients and Fund investors upon request.

**ITEM 14: CLIENT REFERRALS AND COMPENSATION**

Black Swift does not receive any economic benefit, including sales awards or prizes, from non-clients for providing investment advisory services.

Black Swift has entered into an arrangement with a placement agent to solicit investors for certain Funds. Black Swift compensates the placement agent for these services at the Adviser's expense. Any prospective investor solicited by a placement agent will be informed of the arrangement and asked to acknowledge in writing their understanding of the placement agent's role and compensation.

Black Swift does not maintain a fee-sharing arrangement under which it compensates third parties specifically for client referrals. However, Black Swift may distribute discretionary bonus compensation to employees based in part on their contributions to the Firm's marketing efforts.

**ITEM 15: CUSTODY**

Because Black Swift and its affiliates are deemed to have custody of Fund assets, Black Swift is subject to the Custody Rule under the Investment Advisers Act of 1940. Black Swift relies on the "Pooled Vehicle Annual Audit Exception," which provides that an adviser is deemed to comply with certain Custody Rule requirements if:

- The Funds are audited annually by an independent public accounting firm registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("PCAOB"); and
- The Funds distribute audited financial statements to investors within 120 days of the end of their fiscal year.

In addition, investors in the private funds receive monthly account statements directly from the fund administrator.

For separately managed accounts ("SMAs"), a qualified custodian maintains custody of client assets. Custodians send quarterly account statements directly to each account owner. Black Swift may also provide separate account reports to clients. These reports may differ from custodian statements due to differences in valuation methodologies, timing of pricing, or the treatment of accrued income.

Clients are urged to carefully review and compare any statements received from Black Swift with those provided by the qualified custodian. The custodian’s statement is the official record of account holdings and activity.

## ITEM 16: INVESTMENT DISCRETION

Black Swift has discretionary authority to manage investment portfolios on behalf of its clients.

For the Funds, Black Swift has been engaged as the investment adviser by the Funds' general partner or an affiliate thereof. This engagement grants Black Swift full discretionary authority to manage the assets of the Funds. Black Swift's investment discretion is subject to the limitations set forth in applicable law, the Funds' offering and organizational documents, and any additional restrictions agreed upon with the Funds or their investors.

For separately managed accounts ("SMAs"), Black Swift exercises discretionary authority pursuant to investment advisory agreements entered into with each client. These agreements generally authorize Black Swift to invest and manage the SMA portfolio consistent with the client's stated investment objectives. In some cases, the agreements may include additional limitations or restrictions on Black Swift's discretionary authority, as negotiated between Black Swift and the client.

**ITEM 17: VOTING CLIENT SECURITIES**

Separately Managed Accounts (SMAs):
Black Swift does not vote proxies or offer advice regarding corporate actions for client accounts. Clients are responsible for receiving proxy materials and exercising their right to vote as shareholders. In most cases, clients will receive proxy materials directly from the account custodian. If Black Swift receives any proxy materials on behalf of a client, it will promptly forward them to the client.

Funds:
For the Funds managed by Black Swift, proxies are voted on a case-by-case basis in accordance with the Firm's Proxy Voting Policies and Procedures. As a general principle, Black Swift votes proxies in the best interests of the applicable Fund. However, Black Swift may determine not to vote a proxy when, for example:

- The security is no longer held by the Fund;
- A conflict of interest exists;
- Voting would not be in the best interests of the Fund; or
- The cost and time associated with voting outweigh the expected benefit.

When voting proxies, Black Swift follows established guidelines for both routine and non-routine matters.

A copy of Black Swift's Proxy Voting Policies and Procedures is available to clients and investors upon written request.

**ITEM 18: FINANCIAL INFORMATION**

Black Swift does not require or solicit payment of fees exceeding $1,200 per client, six months or more in advance of providing advisory services. Accordingly, Black Swift is not required to include a balance sheet with this Brochure.

Black Swift is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.

Black Swift has never been the subject of a bankruptcy petition.