

Alydar Partners, LLC

d/b/a Alydar Capital, LLC

Part 2 of Form ADV Brochure Document

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This brochure provides information about the qualifications and business practices of Alydar Partners, LLC d/b/a Alydar Capital, LLC (“Alydar Capital” or the “Company”). If you have any questions about the contents of this brochure, please contact us at (617) 646-3500. 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. Registration with the SEC does not imply a certain level of skill or training.

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

Material Changes

The previous update to this brochure was made in March 2011. The Company's business activities have not changed materially since that time.

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Advisory Business

Alydar Capital provides discretionary investment advisory services to pooled investment vehicles (the “Funds”) based on the investment objectives, guidelines, and restrictions of each Fund, as outlined in each Fund’s private placement memorandum. Alydar Capital does not tailor its advisory services to the individual needs of Fund investors.

Shares or limited partnership interests in the Funds will not be registered under the U.S. Securities Act of 1933, as amended, and the Funds will not be registered under the Investment Company Act of 1940, as amended. Accordingly, interests, units, or shares in the Funds will be offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements.

Alydar Capital was founded in 2003 and is primarily owned by John Albert Murphy. As of December 31, 2011, Alydar Capital managed approximately \$1,767,800,000 on a discretionary basis on behalf of nine Funds.

Fees and Compensation

Alydar Capital receives a management fee that ranges between 1% and 1.5% per annum from each Fund. The management fee is payable in advance on the first business day of each fiscal quarter and is based on the net assets under management as of the first business day of such fiscal quarter. In addition, each Fund pays an annual performance fee equal to 20% of incremental profits, subject to a “high water mark.” Alydar Capital, LLC, which serves as the general partner of the onshore Funds (the “General Partner”), receives the performance fee with respect to the onshore Funds. Alydar Capital or the General Partner may, in its sole discretion, waive all or part of the management and performance fees with respect to certain investors, including employees of Alydar Capital.

In addition to the management and performance fees discussed above, the Funds are responsible for paying certain other expenses, including investment expenses (e.g., brokerage commissions, interest expenses, and consultant expenses), legal expenses, accounting expenses, auditing and tax preparation expenses, organizational expenses, expenses relating to the offer and sale of Fund shares, part or all of the expenses of directors’ and officers’ insurance and errors and omissions insurance, expenses associated with regulatory filings made by the Funds and the General Partner, and other similar expenses.

All Funds also charge an early redemption fee on investment withdrawals that occur prior to the Fund’s minimum initial investment period. A complete description of all fees and expenses applicable to each Fund is available in each Fund’s offering documents.

Performance-Based Fees and Side-by-Side Management

Alydar Capital receives performance-based compensation from each of the Funds. The Company does not manage accounts for any clients that do not pay performance-based compensation. The

performance on which performance-based fees are calculated includes unrealized appreciation and depreciation of investments that may not ultimately be realized.

Types of Clients

Alydar Capital provides investment supervisory services to pooled investment vehicles. The minimum investment in a Fund is \$1,000,000. Alydar Capital or the General Partner may waive the minimum investment amount at their discretion.

Methods of Analysis, Investment Strategies, and Risk of Loss

Subject to the specific investment guidelines and restrictions set forth in each Fund's private placement memorandum, Alydar Capital seeks to achieve capital appreciation, primarily through investments in equity securities, while controlling risk. Alydar Capital employs a systematic approach to investment selection. At the core of this approach is fundamental, research-intensive work on companies, which often includes direct contact with senior management.

Alydar Capital utilizes a rigorous screening process to aid in identifying investment ideas. Investment personnel then scrutinize company financial statements to identify changes in revenue growth, margins, cash flow, and balance sheet items. To narrow the universe of companies to contact, Alydar Capital looks for characteristics such as accelerating revenue growth, improving margins, and the opportunity to beat consensus earnings estimates. Other attributes will also be considered. In addition, investment personnel focus on companies that have high return on investment or, for short selling opportunities, for companies that demonstrate decelerating revenue growth, deteriorating margins, and the possibility of not achieving consensus earnings estimates. In all cases, investment personnel pay close attention to valuation and, in particular, to where a stock trades relative to the Company's determination of appropriate value. More detailed information about the investment objectives and policies of each Fund is available in Fund offering documents.

Risk of Loss

Investing in securities involves the risk of loss that clients and investors should be prepared to bear. No guarantee or representation is made that a Fund's investment objectives will be achieved and performance could be negatively impacted by a number of risks, including, but not limited to:

1. **Liquidity Risk** – Certain markets may have a relatively low volume of trading. Securities of companies in such markets may also be less liquid and more volatile than securities of comparable companies elsewhere.
2. **Concentration Risk** – Certain Funds do not have fixed guidelines for diversification and may concentrate investments in particular industries or companies. Increased concentration of securities or industries can maximize the adverse impact to a portfolio in the event of a significant decrease in the value of a particular security or an adverse economic, political, or regulatory occurrence affecting an industry.

3. **Derivatives** – The Funds may make use of various derivative instruments, such as convertible securities, options, futures, forwards, and interest rate, credit default, total return, and equity swaps. The use of derivative instruments involves a variety of risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses.
4. **Use of Leverage** – The Funds leverage their investment positions by borrowing funds from securities broker-dealers, banks, or others. From time to time a Fund may borrow significant amounts to take advantage of perceived opportunities, such as short-term price disparities between markets or market securities. While leverage presents opportunities for increasing a Fund's total return, it has the effect of potentially increasing losses as well.
5. **Counterparty (Credit) Risk** – The Funds are exposed to counterparty risks of prime brokers; their primary source of leverage (funding.) Additionally, the Funds may enter into transactions in OTC markets whereby the Funds will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and may incur significant losses.
6. **International Investing** – Investing outside the United States may involve greater risks than investing in the United States. These risks include, among others: (a) less publicly-available information; (b) varying levels of governmental regulation and supervision; and (c) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation, and application of laws.

Investors should refer to Fund offering documents for a complete description of the risks involved in an investment in a Fund.

Disciplinary Information

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

Other Financial Industry Activities and Affiliations

Alydar Capital is related to Alydar Capital, LLC, which serves as the General Partner of the U.S.-domiciled Funds. In addition, Alydar Capital has entered into a strategic relationship with Summit Partners ("Summit"), a private equity investment firm. Summit owns 20% of Alydar Capital and has an economic interest in the General Partner. Summit was an initial investor in each of the Funds and, as such, receives approximately 20% of the fees earned by General Partner. Three partners of Summit sit on an Advisory Board, the purpose of which is to share and discuss broad observations and insights on the financial markets. The Advisory Board has no authority to direct the operations of the Funds.

Neither Alydar Capital nor any of its employees have any relationships or arrangements with other financial services companies that pose a material conflict of interest.

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

Alydar Capital has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, which is predicated on the principal that Alydar Capital owes a fiduciary duty to its clients. Accordingly, employees of Alydar Capital must disclose or avoid activities, interests, and relationships that run contrary (or appear to run contrary) to the best interest of the Funds.

Personal transactions in securities by principals and employees of Alydar Capital (“Supervised Persons”) and members of its Advisory Board are subject to the restrictions set forth in Alydar Capital’s Code of Ethics. The Code of Ethics, among other things, restricts Supervised Persons from buying and selling securities that have been or are in the process of being purchased or sold for the Funds. With certain exceptions (e.g., open and closed-end mutual funds, ETFs, and money market instruments), Supervised Persons may buy or sell securities only after such transactions have been pre-cleared by Alydar Capital.

Supervised Persons are required to report their and their immediate family members’ securities transactions and holdings to the Company’s Chief Compliance Officer. Alydar Capital endeavors to maintain current and accurate records of all personal securities accounts of its Supervised Persons in an effort to monitor all personal trading activity.

From time to time, Alydar Capital and its principals, employees, and Advisory Board members may come into possession of material, non-public or other confidential information about companies which, if disclosed, might affect an investor’s decision to buy, sell, or hold a security. Principals, employees, and Advisory Board members of Alydar Capital are prohibited from improperly disclosing or using this information for their personal benefit or for the benefit of any person, regardless of whether the person is a client of Alydar Capital.

A copy of Alydar Capital’s Code of Ethics is available to any Fund investor or prospective investor upon request.

Brokerage Practices

Alydar Capital uses its best efforts to obtain prompt execution, the most favorable price reasonably available, and a commission rate competitive with generally prevailing commission rates. In placing transactions on behalf of the Funds, Alydar Capital considers the following factors in selecting broker-dealers for Fund transactions and determining the reasonableness of their compensation:

1. Knowledge of the security and/or market;
2. Knowledge of Alydar’s trading strategy;

3. Execution efficiency, access to blocks of stocks, natural market crosses, and limited market impact; and
4. Credit standing and reputation.

Alydar Capital also considers whether a broker has furnished research or other services that enhance its portfolio management capabilities. In accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended, Alydar Capital may negotiate with and assign to a broker a commission that may exceed the commission that another broker would have charged if Alydar Capital determines in good faith that the amount of commission charged was reasonable in relation to the value of brokerage and/or research services provided by such broker.

Alydar Capital obtains both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party, including industry publications and market data feeds. In addition, Alydar Capital receives brokerage services that assist in the execution, allocation, and settlement of securities transactions. The research and brokerage services obtained from brokers-dealers are used for the benefit of all clients of Alydar Capital.

Research services received from brokers and dealers are supplemental to Alydar Capital's own research efforts. As such, Alydar Capital has an incentive to select broker-dealers based on Alydar Capital's interest in receiving the research or other products or services, rather than on the Funds' interest in receiving most favorable execution. However, as a practical matter, it would not be possible for Alydar Capital to generate all of the information presently provided by brokers and dealers through internal research. As such, Alydar Capital pays cash for certain research services received from external sources and allocates brokerage to pay for other research services in accordance with Section 28(e). While the receipt of research services from brokerage firms has not reduced Alydar Capital's normal research activities, the expenses of Alydar Capital would be materially increased if it attempted to generate such additional information through its own investment research activities.

Alydar Capital does not have any agreement or formula for the allocation of brokerage business on the basis of research services; however, investment personnel monitor which brokers have provided research that has been helpful in the management of the Funds and tally those results in a quarterly voting process. To the extent consistent with the foregoing and its duty to seek best execution, Alydar Capital may seek to place a portion of the trades that it directs with the brokers who have been so identified.

Aggregated Trades

Alydar Capital aggregates trades where possible and when advantageous to the Funds. The Company does not aggregate trades unless it believes that aggregation is consistent with its duty to seek best execution and is consistent with the terms of the governing documents of each Fund for which trades are being aggregated. All Funds participating in an aggregated order shall receive the average price and pay a pro rata portion of transaction costs.

Cross Trades

The Company does not engage in cross trades. Alydar Capital effects monthly “rebalancing” trades for Funds that are managed on a parallel basis in order to keep investment holdings aligned. Certain such Funds, however, may be deemed “plan assets” under the Employee Retirement Income Security Act of 1974, as amended, and precluded from engaging in cross trades. As a result, monthly rebalancing transactions are executed in the market rather than as cross trades, which may result in additional transaction costs to the Funds.

Review of Accounts

Generally, the Funds are reviewed on a continuous basis by investment personnel and the Chief Operating Officer. These reviews are designed to monitor and analyze Fund transactions and positions and ensure compliance with investment objectives and restrictions.

Fund investors receive monthly un-audited capital account statements, annual tax information, and annual audited financial statements. Information about the securities, positions, and performance of the Funds is also available to investors upon request.

Client Referrals and Other Compensation

Alydar Capital does not directly or indirectly compensate any person for client or investor referrals.

Custody

All client assets are held in custody by unaffiliated broker-dealers or banks. However, Alydar Capital has access to the Funds’ accounts since it or an affiliate serves as the manager or General Partner of the Funds. Investors do not receive statements directly from Fund custodians. Instead, the Funds are subject to an annual audit and audited financial statements are distributed to each investor. Audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund’s fiscal year end.

Investment Discretion

Alydar Capital manages the Funds on a discretionary basis subject to the guidelines and restrictions set forth in Fund offering documents and pursuant to an executed investment management agreement. Alydar Capital typically has authority to determine the securities to be bought and sold without obtaining Fund or investor consent to specific transactions.

Voting Client Securities

Alydar Capital has authority to vote proxies on behalf of the Funds. Alydar Capital will generally vote proxies so as to promote the long-term economic value of the underlying securities. Each proxy proposal will be considered on its own merits, and Alydar Capital will vote exclusively with the goal to best serve the financial interests of the Funds.

Alydar Capital has retained Proxy Edge to assist in the proxy voting process. Proxy Edge votes all proxies according to Alydar Capital's general guidance and retains all required documentation associated with proxy voting. Neither the Funds nor underlying investors may direct Alydar Capital's vote with respect to any proxy.

Alydar Capital may have a conflict of interest in voting a particular proxy. A conflict of interest could arise, for example, as a result of a business relationship with a company, or a direct or indirect business interest in the matter being voted upon, or as a result of a personal relationship with corporate directors or candidates for directorships. If Alydar Capital determines that it or one of its employees faces a material conflict of interest in voting a proxy, Alydar Capital's procedures provide for an independent party to determine the appropriate vote. Any such vote shall be binding and may not be overridden by Alydar Capital.

Investors may obtain information about how Alydar Capital voted Fund proxies, as well as a copy of Alydar Capital's proxy voting policies and procedures upon request by contacting us at (617) 646-3500.

Financial Information

Alydar Capital has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.