

**Part 2A of Form ADV: Firm Brochure**

Item 1 Cover Page

This brochure provides information about the qualifications and business practices of Saltbox Capital, LLC (“Saltbox”). If you have any questions about the contents of this brochure, please contact us at (617) 350-8999. 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.

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

Company Name: Saltbox Capital, LLC  
Address: 50 Federal Street, Boston, MA 02110  
Contact information:

Phone: (617) 350-8999  
Fax: (617) 350-8902  
E-mail: [dhuber@federalstreet.com](mailto:dhuber@federalstreet.com)

Website: none

This brochure is dated as of March 21, 2012.

Saltbox is registered as an investment adviser with the SEC. This registration does not imply a certain level of skill or training, nor does it represent any official imprimatur for Saltbox’s business.

Item 2 Material Changes

This brochure is the annual update of our prior brochure, dated March 28, 2011. This brochure incorporates certain revisions that we believe do not constitute material changes to the information set forth in our prior brochure. Readers should note, however, that our Investment Committee has recently been expanded to include Doug Huber, as described in our response to Item 13, Review of Accounts.

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*A. Advisory Firm and Principal Owner*

Saltbox was founded in 2006 by John LaPann, who remains its principal owner. It has operated continuously as an investment adviser since its founding.

*B. Types of Advisory Services Offered*

Saltbox provides investment supervisory services to an investment partnership (the “Partnership”) that is a fund of hedge funds by acting as the general partner of the Partnership. Saltbox does not have and does not seek any clients, and it offers no products, services or advice, other than acting as the general partner of the Partnership.

*C. Tailoring Advisory Services to Individual Client Needs*

Saltbox provides services to the Partnership in accordance with the Partnership’s objectives and investment approach described in the Partnership’s private placement memorandum. Saltbox does not have and is not seeking any “client” other than the Partnership.

*D. Wrap Fee Programs*

The SEC defines a wrap fee program as any advisory program under which a specified fee or fees not based directly upon transactions in a client’s account is charged for investment advisory services and the execution of client transactions. Saltbox does not offer or participate in any wrap fee program.

*E. Managing Client Assets*

Saltbox manages only the assets held by the Partnership, which, as of December 31, 2011, were valued, net of liabilities, at approximately \$17.2 million.

*A. Compensation and Fee Schedule*

Saltbox charges fees to the Partnership as provided in its limited partnership agreement. The Partnership is currently sold only to clients of two of Saltbox's affiliates and is not offered or made available to the general public. If Saltbox were to accept any other client, which is not anticipated, applicable fees would be negotiated with such client and would not necessarily bear any relationship to the fees charged to the Partnership.

*B. Fee Billing and Collection*

Saltbox bills and collects fees from the Partnership as provided in its limited partnership agreement. If Saltbox were to accept any other client, which is not anticipated, the methodology for billing and collecting fees would be negotiated with such client.

*C. Other Types of Fees or Expenses Clients May Pay*

Our fees are the only compensation the Partnership pays us. However, investors in the Partnership will pay or bear other expenses in connection with their investment, which are described in its confidential private placement memorandum and generally consist of their share of administrative, accounting, tax and legal expenses incurred directly by the Partnership, as well as similar or additional expenses (including profit participations commonly referred to as carried interests) incurred by the funds in which the Partnership invests, which clients will bear indirectly. Please also see the discussion of brokerage in Item 12 of this brochure for more information about certain trading costs.

*D. Advance Fee Payment Requirements*

Our fees are not payable in advance.

*E. Absence of Compensation from Selling Securities or Investment Products*

We do not receive any compensation from selling securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

A “Performance-Based Fee” is an investment advisory fee based on a share of capital gains on, or capital appreciation of, client assets. A fee that is based on a percentage of assets managed by an investment adviser is not a performance-based fee. We do not charge any performance-based fee. If the general partner or manager of a fund in which the Partnership invests imposes a performance-based fee, we would not receive any portion of, or otherwise benefit from, that fee.

“Side by Side Management,” describes a situation in which an investment adviser manages some accounts that are subject to a performance-based fee and other accounts that are charged another type of fee, such as an hourly, flat, or asset-based fee. Because we do not charge a performance-based fee to any client, we do not engage in side-by-side management.

Our only advisory function is to serve as the general partner of the Partnership. Currently, we are not seeking or accepting any other clients.

*A. Methods of Analysis, Investment Strategies, and Risk of Loss*

Our approach to investment advice is based on seeking, on behalf of the Partnership, investment funds that we consider likely to provide returns in excess of the broad equity market over a market cycle. We seek to identify these funds through quantitative manager analysis including risk-return, detailed return, detailed risk, and assets under management analysis. Additionally, we utilize qualitative manager analysis, due diligence, and portfolio construction analysis to determine the allocation of investment funds. Investing in securities involves risk of loss that investors should be prepared to bear, including the possible loss of an investor's entire investment.

*B. Significant Investment Strategies and Material Risks*

Our return and risk expectations are derived from historical market statistics and from our understanding of how the current market environment may affect expected returns and potential gains or losses going forward. If markets, funds or managers behave in the future in a materially different manner than they have in the past, or if our understanding of the likely effects of the current market environment on future returns or risks is wrong, then investors in the Partnership may be subject to asset allocations or manager selections that produce disappointing returns, possibly including the loss of all or a substantial portion of their capital.

*C. Particular Types of Securities and Associated Risks*

The Partnership invests primarily in other private funds that, in turn, may invest in stocks, fixed income securities, and other investments.

The primary risks associated with stock investments is the loss of value, or the failure to achieve the expected total return, as a result of company-specific factors, or events or developments that affect the economic sector in which a company does business or the entire market, including but not limited to possible substantial changes in political, geographic, or currency circumstances. Similarly, the primary risk associated with fixed-income investments is the loss of value, or the failure to achieve the expected total return, as a result of company-specific factors (such as adverse events affecting its particular business operations that result in a failure of



the company to pay its debt obligations) or market factors (such as a rise in interest rates and/or inflation that reduces the real and/or absolute value of the interest and/or principal the investor receives).

Hedge funds potentially involve additional risks to the extent they use certain investment techniques (such as leverage or certain derivatives) in a way that can increase the risk or amount of loss. In addition, they are less liquid and can sometimes be less transparent than mutual funds and many other investments. There may also be a greater risk of loss due to the potential for fraud or other illegal conduct by the hedge fund's general partners or other managers, which may be harder to detect as a result of their structure and relative lack of regulatory supervision, in contrast to mutual funds. We are mindful of these risks and conduct considerable due diligence reviews of the funds owned by the Partnership, but we cannot guarantee that any due diligence process will be sufficient to prevent or detect misrepresentation, fraud or abuse on the part of the investment fund or its managers, partners, members, or other service providers; as a result, investors in the Partnership are exposed to the risk that it may lose its entire investment in any such hedge fund or other privately-offered investment through theft or other illegal conduct by the fund sponsor, general partner, or manager, as well as, of course, through poor investment decisions made by any such person.

This item requires disclosure of all material facts about any legal or disciplinary events involving us or our management persons that are material to a client's or prospective client's evaluation of our business or the integrity of our management. For this and other purposes in this brochure, "management persons" means anyone with the power to exercise, directly or indirectly, a controlling influence over our management or policies or to determine the general investment advice that we give to clients. Examples of material legal or disciplinary events include criminal proceedings, felony convictions, and certain misdemeanors, as well as findings of certain misconduct that are determined in administrative proceedings before regulators or self-regulatory organizations.

Neither Saltbox nor any of its management persons has been, or is currently, involved in any such events.

*A. Absence of Certain Broker-Dealer Registrations*

Neither we nor any of our management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

*B. Absence of Certain Futures or Commodity-Related Registrations*

Neither we nor any of our management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of any of the foregoing entities.

*C. Certain Relationships with Related Persons*

This item discloses relationships or arrangements that are material to our advisory business or to our clients and that are between us (or any of our management persons) and certain types of “related persons” in various financial, banking, legal, accounting, insurance, or other specified types of businesses. A “related person” is an “advisory affiliate” and any person that is under common control with us. An “advisory affiliate” is (1) all of our officers, partners, directors, or persons performing similar functions; (2) all persons directly or indirectly controlling or controlled by us; and (3) all of our current employees, other than employees performing only clerical, administrative, support or similar functions.

Related persons with such relationships or arrangements are the Partnership, which we control as general partner; Old North Advisors, LLC (“ONA”); and Federal Street Advisors, Inc. (“FSA”).

We are compensated by the Partnership for our service as its general partner, as authorized in its limited partnership and described in its private placement memorandum.

ONA is an investment adviser that is under common control with us and is separately registered as an investment adviser with the SEC. ONA has recommended and expects to continue to recommend that some of its clients invest as limited partners of the Partnership. The compensation that we receive as general partner of the Partnership is determined, in part, with reference to the value of the Partnership’s assets attributable to investors that are clients of ONA.

FSA is an investment adviser that is under common control with us and is separately registered as an investment adviser with the SEC. FSA provides to us, for compensation, investment research services, due diligence, and administrative support to assist us in fulfilling our responsibilities as the general partner of the Partnership. FSA has recommended and expect to continue to recommend that some of its clients invest as limited partners of the Partnership. FSA does not have a direct contractual relationship with the Partnership, but the fees that the Partnership pays to us as general partner are the source of the payments we make to FSA as compensation for the services it provides to us. Because FSA receives these fees, it has a financial interest in recommending that its clients invest in the Partnership. However, the fees that FSA charges us do not include any carried interest or other profit participation and are intended only to cover FSA's estimated costs, which are primarily personnel-related, in providing services to us. Further, we will benefit from limited partnership investments by clients of ONA because a portion of our compensation as general partner is determined with reference to the value of the Partnership's assets attributable to these investors. These relationships, including the associated costs, are described in detail in the offering materials for the Partnership, which are provided to all prospective investors in the Partnership. The Partnership is not available to the public, and substantive information about it is generally made available, in our discretion, only to certain clients of FSA and certain clients of ONA.

In the event that (1) the Partnership intends to invest in a particular hedge fund; (2) FSA's clients or clients of ONA also desire to invest directly in the same hedge fund; and (3) that hedge fund is unwilling to accept subscriptions equal to the aggregate amount desired to be invested by these clients and the fund, then it is anticipated that the amounts desired to be invested referred to in clauses (1) and (2) will be proportionately reduced to equal, in total, the subscription amount the hedge fund is willing to accept. In the event that this proportionate reduction in investment amounts results in an account receiving such a small allocation that it does not satisfy the subscription minimum that a hedge fund is willing to accept, only those accounts that meet such minimum amount will be recommended to invest in that hedge fund. In cases where the investment opportunity is so limited that a proportionate reduction in investment amounts is not feasible, the opportunity will be allocated in any manner FSA deems appropriate under the circumstances.

#### *D. Recommendation of Other Investment Advisers*

We do not recommend other investment advisers. We do not receive compensation, directly or indirectly, from those funds in which the Partnership invests or anyone associated with them, or anyone else except for the fees we charge the Partnership. We do not have other business relationships with those funds or persons associated with them or any other investment advisors that create conflicts of interest, except our affiliation with, and investments in the Partnership by the clients of, FSA and ONA, as described in the section immediately above. The conflicts of interest resulting from investments in the Partnership by clients of FSA and ONA are fully described in its offering materials, which are provided to prospective investors before they invest in the Partnership. Neither FSA nor ONA exercises investment discretion to cause any client to invest in the Partnership.

*A. Our Code of Ethics*

Our code of ethics governs the conduct of all of our personnel, which consist of certain employees of FSA. The code requires all such persons to comply with the applicable federal securities laws and meet a standard of business conduct that reflects our fiduciary obligations to our clients under the Investment Advisers Act. Under the code, all personnel are to strive to avoid placing their personal interests above clients' interests and avoid conflicts of interest or, if in some situation a conflict is unavoidable, fully disclose it. Some specific elements of the code are (1) a prohibition on insider trading; (2) strict limits on personal trading intended to avoid actual or apparent conflicts with any client's interests, including the maintenance of a do-not-trade list in specific securities and, for securities not on that list, a ceiling on permitted dollar amounts and a required minimum holding period; (3) a requirement that investments in IPOs and private placements must be pre-cleared by FSA's President; (4) periodic reporting and review of securities holdings and transactions of our personnel; (5) a ceiling on the amount, and required reporting of, certain gifts that may present potential conflicts of interest; (6) a requirement to report any violation of the code to our chief compliance officer; and (7) the imposition of sanctions, up to and including dismissal, for violations of the code.

We are happy to provide a copy of our code of ethics to any investor or prospective investor upon request.

*B. Recommendations to Clients of Securities in which we or a Related Person has a Material Financial Interest*

We do not have clients other than the Partnership. Our interest in the Partnership, and that of our related persons, is described in the offering materials for the Partnership. In addition, when FSA or ONA recommends that one of its clients make an investment in the Partnership, FSA or ONA describes our sponsorship of the fund and explains its view that the conflict arising from the Partnership's paying fees to us (a portion of which is used to compensate FSA for services and advice it provides to us) is outweighed by the benefit to the client of obtaining the investment exposures and diversification available through the fund. FSA and ONA do not recommend the Partnership to any client that has enough assets to, and is willing to undertake the administrative work necessary to, obtain similar or greater diversification by investing directly in a sufficient number of hedge funds.

*C. Investments by us or our Related Persons in the Same or Related Securities that We Recommend to Clients*

We do not invest in securities for our own account. We do not recommend securities to clients or buy or sell securities for the account of any client other than the Partnership. Generally, our related persons do not invest in the same securities (or related securities) in which the Partnership invests. Our personnel are permitted to invest in such securities only upon obtaining pre-clearance from our President, as required under our code of ethics. A similar restriction applies to personnel of FSA and ONA under their respective codes of ethics. Such an investment would generally not present a conflict of interest unless a particular fund had limited capacity, such that an investment by our personnel or personnel of ONA or FSA might compete for capacity with an investment intended to be made by the Partnership. In that event, investment by our personnel or personnel of ONA or FSA would not be approved. Our personnel and those of FSA and ONA are permitted to invest in the Partnership, provided that they are able to satisfy applicable securities law requirements, such as the accredited investor and qualified client requirements.

*D. Recommending Securities to Clients When They are Also Being Purchased or Sold for our Own or Our Related Persons' Accounts*

We do not recommend securities to clients. We do not buy or sell securities for client accounts, other than for the account of the Partnership. At or about the same time we are buying or selling a security for the account of the Partnership, neither we nor any of our related persons will buy or sell the same security for its, his or her account, except for pre-approved purchases or sales by our personnel or personnel of FSA or ONA. The procedure for such purchases is described immediately above in Item 11.C.

In the case of such sales, redemptions of any hedge fund by our personnel or personnel of FSA or ONA could present a conflict if the Partnership was invested in the same fund and the fund was unable or unwilling to grant all redemption requests received at or about the same time. In that event, we would not permit our personnel or those of FSA or ONA to have his or her redemption request satisfied on a basis preferable to that made available to the Partnership.

Neither we nor FSA nor ONA invests for its own account any material amount in stocks or other securities, except for our investment in the Partnership as its general partner.

*A. Description of Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions and Determining the Reasonableness of their Compensation (e.g., commissions)*

We do not recommend broker-dealers for client transactions. As general partner of the Partnership, we would be responsible for selecting any broker or dealer to be used to buy or sell a publicly-traded security for its account. However, the Partnership will not buy publicly-traded securities other than possibly mutual funds, and it is unlikely that it would acquire (and therefore need to consider selling) such securities in any other way. In that situation, we would choose a broker-dealer based on our knowledge of available execution cost and quality, including the relevant knowledge, if any, of personnel of our affiliate, FSA.

*1. Research or Other Soft Dollar Benefits (Products or Services Other than Execution Received from a Broker-Dealer or Other Third Party in connection with Client Securities Transactions)*

We do not receive research or other products or services other than execution from any broker-dealer or other third party in connection with securities transactions effected for the Partnership or any other person.

*2. Considerations Regarding Recommending Brokers or Directing Transactions in Exchange for Receiving Client Referrals*

It would be a conflict of interest for an investment adviser to select or recommend a broker-dealer, or direct a particular transaction to a broker-dealer, if the adviser receives or expects to receive client referrals from that broker-dealer. We do not receive or expect to receive client referrals from any broker-dealer, and accordingly we would not consider the possibility of such a referral if we were ever called upon to select a broker-dealer or direct any transaction to a broker-dealer for the Partnership.

*3. Directed Brokerage*

We do not have any client other than the Partnership, and therefore we do not permit, recommend, request or require any client to direct us to execute transactions through a specified broker dealer. Further, due to the nature of the Partnership's investments, it is not expected that transactions effected for the



Partnership would generally require the use of a broker-dealer.

*B. Absence of Aggregation of Purchase or Sale Orders for Various Client Accounts*

As described above, we do not have clients other than the Partnership and it generally will not effect transactions in publicly-traded securities. As a result, we cannot and do not aggregate the purchase or sale of securities for various client accounts.

*A. Periodic Reviews*

We do not have clients other than the Partnership. The Partnership's investment portfolio is reviewed at least monthly by John LaPann, Kristin Fafard, and Doug Huber, the members of our Investment Committee. Mr. LaPann, the CEO of Saltbox, is also the President, Chief Investment Officer, and Chairman of the Investment Committee of FSA. Ms. Fafard is FSA's Director of Research. Mr. Huber is a Senior Research Analyst employed by FSA, who specializes in alternative investments. Under their supervision, the performance of each manager in the Partnership's portfolio is reviewed on a regular basis by FSA staff members by conducting research, statistical comparisons, and other related activities. The periodic review process considers each manager's absolute performance and performance relative to appropriate benchmarks and evaluates the extent to which the manager's performance in relation to the amount of risk incurred is and remains appropriate in light of the Partnership's objectives.

*B. Non-Periodic Reviews*

A non-periodic review may be triggered if, for performance or other reasons, we conclude one manager should be replaced with a different manager, a new manager should be incorporated into the portfolio, or we perceive an exceptional opportunity or risk in the current market environment that should result in a change in the current allocation among managers. A non-periodic review may also occur if the Partnership's assets increase sufficiently for it to be treated as a "qualified purchaser" under applicable securities laws, which would be expected to materially increase the universe of potential investments available to it. Other circumstances not currently anticipated may also make a non-periodic review appropriate, in the sole judgment of Saltbox.

*C. Content and Frequency of Regular Client Reports*

We do not have any clients other than the Partnership. The Partnership's normal practice is to provide audited financial statements to each limited partner as soon as practicable after the end of each calendar year, which may take as long as 180 days after year-end. Quarterly written, unaudited reports to limited partners typically will also contain our explanation and assessment of the Partnership's performance in light of its objectives. The Partnership's administrator also makes monthly account statements for the Partnership available to its investors.

Valuations in these statements and reports are largely based on valuations reported to the Partnership by the general partners or managers of the hedge funds in which it invests and may not be reliable due to the absence of available market price quotes. We are not able to, and do not, undertake to investigate or confirm the valuations for such investments.

*A. Absence of Certain Benefits Received from Non-Clients*

If an investment adviser receives any economic benefit from someone who is not a client of that adviser for providing investment advice or other advisory services, such an arrangement would generally create a conflict of interest. We do not ask for, receive, or accept any economic benefit as a result of, or that in any way depends upon or is related to, our providing any advice or service to the Partnership. All of our compensation consists of fees we receive from the Partnership.

*B. Absence of Certain Compensation for Client Referrals*

Neither we nor any person or entity related to us directly or indirectly compensates any person or entity for referring clients to us. We are not a party to any referral, solicitation, or similar agreements.

By virtue of serving as general partner of the Partnership, we are deemed to have custody of its assets. Compliance with applicable custody rules requires that the Partnership be audited each year by a qualified accounting firm and that audited financial statements be provided to its partners by that firm. This audit is a Partnership expense, the costs of which will be borne by its investors in accordance with their proportionate investment in the Partnership.

As the general partner of the Partnership, we have discretionary authority to manage (e.g., buy or sell) its investments. Limited partners are not permitted to exercise or limit this authority, which will be exercised by us in accordance with the provisions of the limited partnership agreement. By signing the Partnership's subscription documents, investors authorize us, among other things, to exercise this authority.

As general partner of the Partnership, we have the sole authority to vote proxies on behalf of the Partnership, and we have adopted written policies and procedures regarding such votes. It is not anticipated that the Partnership will, except as described below, own individual voting securities other than limited partnership (or similar) interests in underlying hedge funds. With respect to such funds, we anticipate that we will generally vote against any proposed fee increases, extensions of lock-up periods, or other provisions that limit or reduce investor rights or might favor the interests of other investors over the interests of the Partnership.

The Partnership may also own investment company (e.g., mutual fund) shares, generally for cash management or liquidity purposes, or securities distributed to it by an underlying hedge fund. In the event that we decide to vote such shares (rather than, prior to a scheduled vote, disposing of any shares that were intended to be held only on a temporary basis), we will use our best judgment and will evaluate each issue presented for a vote on a case by case basis.

We have a substantial investment in the Partnership as general partner, and we have no client other than the Partnership. Consequently, we do not anticipate that there would be a conflict of interest between us and any limited partner or client with respect to voting securities owned by the Partnership.

A copy of our policies and procedures regarding proxy voting will be furnished to any partner of the Partnership upon request. Any partner will also, upon request, be informed about how we have voted securities owned by the Partnership during the partner's period of investment in the Partnership.

*A. Absence of Balance Sheet*

An SEC-registered investment adviser must include a balance sheet, audited by an independent public accountant, if the adviser requires or solicits prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not require or solicit prepayments of our fees six months or more in advance, and therefore this audited balance sheet requirement does not apply to us. As a result, we do not have a balance sheet available for examination by any client, prospect or other person.

*B. Absence of Impaired Financial Condition*

An SEC-registered investment adviser must, if certain conditions apply, disclose any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients. We do not have any such impaired financial condition.

*C. No Bankruptcy Petitions*

An SEC-registered investment adviser must disclose whether it has been the subject of any bankruptcy petition at any time during the past ten years and, if so, the date of the petition and its current status. We have never been the subject of any bankruptcy petition.