

Afton Capital Management, LLC

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Suite 370
Charlotte NC 28210

704-333-3110

January 31, 2012

This Brochure provides information about the qualifications and business practices of Afton Capital Management, LLC (“Afton”). If you have any questions about the contents of this Brochure, please contact Allison Doyle, Chief Compliance Officer at 704-333-3110. 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.

Afton is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

Item 2 – Material Changes

Investment Advisors are required to prepare a disclosure document (“Brochure”) that describes the firm and its business practices. This Brochure, dated January 31, 2012, is prepared according to the SEC’s rules and regulations.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of the last annual update of our brochure.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a copy of our Brochure at any time without charge upon your request by contacting Allison Doyle, Chief Compliance Officer, at 704-333-3110 or adoyle@aftoncapital.com.

Additional information about Afton is available via the SEC’s web site www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

Afton Capital Management, LLC was formed in 2004. Coy Monk and Camp Jenkins are the Managing Members and are equal shareholders in the entity.

As of December 31, 2011, Afton had approximately \$104,200,000 in discretionary assets under management. Assets under management are determined by calculating Afton's gross market exposure as of the date specified. Afton's net assets on December 31, 2011 were approximately \$92 million. Afton does not manage any assets on a non-discretionary basis.

Afton provides investment supervisory services to two (2) private funds: Afton LP and Afton II LP, collectively, the "Funds." Afton Capital Management, LLC is the General Partner of the Funds. Both Funds employ the same investment strategy and are managed *pari passu*. Therefore, the Funds tend to hold the same relative amounts of the same securities at any given time. Afton LP is exempt from registration under Section 3(c)(7) of the Investment Company Act of 1940. Afton II LP is exempt from registration under Section 3(c)(1) of the Investment Company Act of 1940. Interests in the Funds will only be offered to a limited number of financially experienced and sophisticated investors who are able to bear the risk of an investment in the Fund and who meet the requirements set forth in each Fund's offering documents.

Each private fund is managed according to the investment objectives, strategies and guidelines outlined in each respective Fund's private placement memorandum. Investment decisions are not tailored to the individualized needs of any particular investor. Therefore, investors must consider whether the Funds meet their investment objectives and risk tolerance. Prior to investing, Afton will provide each investor with a confidential private offering memorandum that provides detailed information about the Fund, including investment strategy, risks, fees, conflicts of interests and other required disclosures. Investors should read the private placement memorandum in its entirety before making an investment into any pooled investment vehicle.

Item 5 – Fees and Compensation

Fees and expenses paid by private funds are described to investors, in detail, in each Fund's confidential private offering memorandum. The annualized fee structure for each of the Funds follows:

Fund	Management Fee	Incentive Fee
Afton LP	1%	20%
Afton II LP	2%	20%

Fees are be comprised of (1) a management fee calculated and payable quarterly in advance; and (2) a performance-based incentive fee payable following the end of each calendar year based on the net profits attributable to each investor's capital account. The incentive fee is only payable to the extent that such profits exceed any losses carried forward from prior years, based on a "high water mark" formula.

Investors in the Funds may be subject to different fee schedules. Fees attributable to any particular investor are based on the current fee schedule at the time they first invested in the Fund.

To the extent that Afton utilizes margin to leverage the investments in the Funds, margin strategies entail additional fees and expenses, as the Funds must pay interest on any amounts borrowed against the account. When using margin, investment advisory fees are calculated on the net account balance (rather than the total market exposure) in order to avoid any incentive for Afton to use margin to potentially increase the fee paid by the client.

Investors may withdraw all or a portion of their capital account on the first day of each calendar quarter by providing written notice to Afton at least 30 calendar days in advance, or otherwise at the general partner's discretion. Specific procedures and restrictions apply to withdrawals and terminations, including early termination fees, as described in each Fund's confidential private offering memorandum. The general partner, in its sole discretion, may impose minimum redemption amounts and require the maintenance of a minimum capital account size in the event of a partial withdrawal. The general partner may also, in its sole discretion, require an investor to redeem all or part of its interest in any particular Fund.

All fees paid to Afton for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or in conjunction with internal expenses associated with exchange-traded funds. The client will be solely responsible, directly or indirectly, for these additional expenses. Afton does not receive any portion of these additional fees. Refer to Item 12 for a detailed discussion of brokerage practices.

The investment advisory fee covers only the portfolio management and advisory services provided by Afton and does not include brokerage commissions, redemption fees, mark-ups and mark-downs, exchange fees, dealer spreads or other costs associated with the purchase and sale of securities, custodian fees, transfer fees, wire fees, interest, taxes, or other account expenses. Other fees paid by the Funds are attorney's fees, audit and accounting fees, administrator fees and any other fees or expenses deemed to be an obligation of the Funds. Refer to each respective Fund's private placement memorandum for a more detailed discussion of the fees and expenses associated with an investment in the Funds.

Item 6 – Performance-Based Fees and Side-By-Side Management

Afton structures any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940. In calculating the performance fee, Afton includes realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for Afton to recommend investments that are riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements generally create an incentive for investment advisers to favor higher fee paying accounts over other accounts when allocating investment opportunities among clients. To prevent this conflict from influencing Afton's portfolio management decisions and to avoid the possibility of preferencing one account over another, both Funds participate pro-rata in all transactions and therefore hold the same relative amount of the same securities.

Item 7 – Types of Clients

Afton offers its investment strategy exclusively to private funds. Interests in the Funds will only be offered to qualified investors who are able to bear the risk of an investment in the Funds. The qualifications and minimum account requirement for each Fund is provided below. The minimum investment for each of the Funds is current as of the date of this document. However, Afton may raise or lower the account minimums at any time at its discretion and without notice. Afton also may choose to waive any minimum investment requirement at its discretion.

<u>Fund Name</u>	<u>Qualifications</u>	<u>Minimum</u>
Afton LP	Qualified Purchaser	\$1,000,000
Afton II LP	Accredited Investor	\$250,000

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

Afton primarily invests in common stocks of public companies but may purchase other types of securities, such as derivatives, as long as the investment meets the goals and objectives of the Funds. Investments are primarily made in U.S. equity securities, but Afton may also invest in other types of securities such as foreign holdings or fixed income investments.

Afton utilizes leverage to manage the market exposure of each of the respective Funds. The use of leverage involves borrowing money to make additional investments using the securities held in each Fund as collateral. A leveraged portfolio involves significantly more risk than cash transactions in that you can lose more money than you invested. Brokerage firms require a minimum amount of capital in order to maintain margin balances. If the Funds do not maintain the minimum, the broker could require additional capital or force the Funds to sell securities in falling markets.

Afton also uses a long/short strategy, which applies leverage to the portfolio and significantly increases the risk of the portfolio. Shorting stocks involves borrowing shares you do not own and selling them. This strategy assumes the stock price is going to decline such that it can be bought back at a price less than the sale price. If the stock price rises instead, the losses incurred are potentially unlimited. Afton targets companies it expects to experience declining growth and margin trends, financial leverage issues, industry headwinds or other negative characteristics.

Afton may take a concentrated approach to building its portfolios. The Funds generally invest in approximately 50 companies. Exposure to a particular issuer may exceed 10% of the value of the total portfolio. Therefore, a particular holding could then have a significant impact on the strategies' total return, and its value could fluctuate more than if the strategies used a higher degree of diversification. Afton may concentrate a percentage of capital in several select core holdings or sectors, adding to the overall risk.

A detailed discussion of the risks involved with each Fund's investment strategy is detailed in each respective Fund's confidential private offering memorandum.

Afton's investment philosophy applies a bottom-up fundamental analysis approach. We construct portfolios that meet the following qualitative and quantitative criteria:

- Financially sound with growing free cash flow;
- Talented management teams;
- Competitive businesses with a sustainable model;
- Sector diversification;
- Position size based on risk/reward opportunities;
- Macro view as a risk management tool.

Investing in securities involves risk of loss that clients should be prepared to bear. Afton uses its best judgment and good faith efforts in providing advisory services to clients. Afton cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation will be profitable. Investments in securities are subject to various market, currency, inflation, economic, political and business risks. Afton attempts to minimize these risks by employing a rigorous stock selection process to go along with thorough economic, market and industry analysis.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Afton or the integrity of Afton's management. Afton has no disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

As discussed previously, Afton Capital Management, LLC manages two private funds organized as limited partnerships: Afton LP and Afton II LP. Both Funds are exempt from registration under Section 3(c) of the Investment Company Act of 1940. Interests in the Funds will only be offered to a limited number of investors who are able to bear the risk of an investment in the Funds and who meet the requirements set forth in each respective Funds' confidential private offering memorandums.

Item 11 – Code of Ethics

Afton requires all officers, directors, and employees to adhere to the Code of Ethics. The purpose of the Code of Ethics is to ensure that Afton conducts its business with the highest level of ethical standards and fulfills its fiduciary duties to its clients. Afton has a duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first, to refrain from having outside interests that conflict with the interests of its clients, to safeguard clients' personal information, and to comply with all federal securities laws as they apply to the business of Afton. Afton and its employees must avoid any circumstances that might adversely affect or appear to affect

its duty of loyalty to its clients. A complete copy of the Code of Ethics will be furnished to any client or prospective client upon request.

An investment adviser's Code of Ethics requires certain employees (Access Persons) to report their personal securities holdings within ten days of being hired and annually thereafter, and are required to report securities transactions within thirty days of the end of each calendar quarter. In addition, any investment in an IPO or limited offering must be pre-approved by the Chief Compliance Officer prior to any transaction by the employee. The Chief Compliance Officer or other designated person reviews the personal investment activity of each employee to ensure employee trading activity does not conflict with advice provided to clients.

Employees are permitted to invest in the same securities that are purchased and sold for client accounts, including investing in the Funds offered by Afton. Interests in the Funds will only be offered to a limited number of investors who are able to bear the risk of an investment in the Funds and who meet the requirements set forth in each Funds' offering documents. Afton receives a management fee as well as an incentive fee on the assets invested in the Funds. The Funds employ certain investment strategies and engage in activities such as short selling and the use of leverage, which may increase the risk of loss to investors.

Item 12 – Brokerage Practices

Afton has the fiduciary responsibility to place client's interests above its own and to develop and implement trading practices that fulfill its obligation to seek best execution for client transactions. Best execution can be described as seeking the most favorable terms for completing client transactions considering all relevant circumstances at the time. To this end, Afton established a Best Execution Committee to provide oversight of its trading practices, including execution quality, soft dollar practices, directed brokerage, broker selection, and trade aggregation. The goal of the Best Execution Committee is to take a best practices approach to trading principals to ensure client transactions are executed in a manner that achieves acceptable results measured against our evaluation criteria.

The Best Execution Committee evaluates brokers and assesses them based on the quality of overall services provided. The Best Execution Committee oversees the broker selection process, including the review of commissions subject to any soft dollar arrangements. Afton selects broker/dealers for client transactions by seeking to obtain the best overall execution for the transaction. Commissions and related transaction costs are an important factor in this determination, but a number of other judgment factors may also be considered. These factors include, without limitation:

- Nature of the security being traded
- Size of the transaction
- Client-specific needs and circumstances
- Broker's stability, financial standing and business circumstances
- Broker's execution, clearance and settlement capabilities
- Past experience with a particular broker

- Research services available from the broker

Trading functions are outsourced to a third-party service provider, Redwine & Company. Redwine is a FINRA-registered broker-dealer. Redwine is compensated for providing trading functions through commissions generated by trades on behalf of the Funds. Redwine allocates trades to satisfy soft dollar obligations first and then allocates trades to itself. Discretionary commissions are paid last. Afton's portfolio managers provide Redwine general overall guidance on the allocation of brokerage to ensure all commitments are met. However, Redwine does retain some degree of discretion in the selection of brokers on a trade-by-trade basis.

Redwine may occasionally refer individuals to Afton for investment in the Funds. Redwine does not receive any additional commissions as a result of the referrals. Afton commits to Redwine a level of commission commensurate with the outsourced trading functions. When all commitments have been met, the portfolio managers will provide Redwine with instructions on how to allocate any additional brokerage commissions.

Section 28(e) of the Securities Exchange Act permits advisers to use soft dollars, where a portion of client commissions is used to purchase research and brokerage services that assist the adviser in making investment decisions to benefit client accounts. Under the soft dollar arrangements, Afton receives both proprietary research created and developed by the brokers as well as third party research. The types of eligible research include, but are not limited to: research reports on companies, industries and sectors; economic and financial data; financial publications; and market data and quotations services.

Afton executes soft dollar trades with Cowen & Company. Afton uses commissions from its soft dollar trades to pay for research, quotes and market data from third parties, such as Bloomberg, Gerson, NYSE, ASE, S&P, Dow Jones, Zelman, subscriptions to market or industry specific newsletters, etc. Cowen & Company pays only for services that are deemed to be eligible research under Section 28(e) of the Securities Exchange Act. Afton also receives proprietary research, access to industry conferences, etc. from other brokers where no formal soft dollar arrangement exists.

Afton recognizes that using client commissions for research products creates a conflict of interest because Afton does not have to pay for the products. This may give Afton an incentive to use a particular broker/dealer based on Afton's interest in receiving the products rather than the Funds' interest in receiving the most favorable execution. The Funds may pay more than the lowest available commission for executing a transaction in order for Afton to receive these benefits. Nonetheless, Afton believes the commissions paid by the Funds are reasonable in relation to the value of the research and brokerage services received from the broker/dealers and/or third-party providers.

When placing trades for the Funds, Afton seeks to ensure that neither Fund is disadvantaged by Afton's trading practices. To ensure that trade allocations are implemented fairly across the Funds, Afton manages the Funds *pari passu*, such that each Fund participates in every transaction in an amount relative the size of the Fund with each Fund receiving the average price of the overall transaction.

Item 13 – Review of Accounts

Fund holdings and market exposure are reviewed daily to ensure each Fund is positioned appropriately given the current market conditions. The Portfolio Managers, Coy Monk and Camp Jenkins, are responsible for all investment decisions for the Funds.

Investors in the Funds receive a monthly report of their respective Capital Account that show the beginning and ending value of their investment in the Fund(s), any deposits or withdrawals and the performance of their account. Reports for Fund investors are prepared by the Funds' third-party administrator. Investors will also receive an annual audit report prepared by an independent certified public accountant within 120 days of the funds fiscal year end.

Item 14 – Client Referrals and Other Compensation

Afton may compensate unaffiliated broker-dealers as a result of certain registered representatives referring investors to the Funds. These arrangements are made pursuant to a written agreement between Afton and the broker-dealers. The broker-dealers are paid out of the investment management fees Afton receives from the respective Fund. Generally, these fees range from 25% to 40% of the management fee received by Afton. Fees paid under this arrangement will not increase the investment management fee an investor pays to the Fund. Likewise, the lack of such arrangement will not decrease the investment management fee an investor pays to the Fund.

Any time a person receives a fee for recommending an investment opportunity, that recommendation should not be considered objective. There is an inherent conflict of interest, as the fee is an incentive to make the recommendation regardless of the appropriateness of the investment.

Item 15 – Custody

Afton complies with the requirements of the Custody Rule under the Investment Advisers Act of 1940 with regard to the custody of Private Funds, including engaging the services of an independent accountant to conduct a financial audit of the private funds each year. A copy of the audit is provided to investors in the funds within 120 days of each Fund's fiscal year-end.

Item 16 – Investment Discretion

Afton is authorized to make all investment decisions for the Funds. Specifically, this authorization gives Afton the authority to determine the securities to be bought or sold, the amount of the securities to be bought or sold, the broker/dealer used for execution of client transaction, and the commission rate paid by the Funds.

Item 17 – Voting Client Securities

Afton will vote proxies and take actions as necessary on behalf of the Funds. Afton maintains proxy voting policies and procedures that address issues related to sound corporate governance. Votes are generally cast in favor of issues that maximize shareholder value and against issues that entrench management or impair shareholder rights. Other issues are considered in light of relevant facts and circumstances. Afton typically votes with management on most issues, as Afton's decision to invest in a company is, in part, due to its confidence in the management team in place. In the event that Afton is required to vote a proxy that would result in a conflict of interest with an investor in the Funds, Afton will make any and all appropriate disclosures to the investor and will vote the shares in the best interest of the Funds.

Item 18 – Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition. Afton has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Brochure Supplement – Albert Coy Monk

This Brochure Supplement provides information about Coy Monk that supplements the Afton Brochure, which is attached to this document. Please contact Allison Doyle at adoyle@aftoncapital.com or 704-333-3110 if you have any questions about the contents herein.

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Educational Background and Business Experience

Albert Coy Monk IV

Year of Birth: 1969

Education:

Fuqua School of Business at Duke University

M.B.A.

Year 1995

University of Virginia

B.A. Economics

Year 1991

Business Background:

Afton Capital Management, LLC

Managing Member/Portfolio Manager

2004 - Present

Condor, LP

Analyst

2001 - 2004

Credit Suisse First Boston

VP - Investment Banking Division

1995 - 2001

Disciplinary Information

An investment adviser must disclose material facts about any legal or disciplinary event that is material to your evaluation of our advisory business or of the integrity of our personnel. Coy Monk has not been the subject of any legal or disciplinary events.

Other Business Activities

Coy Monk is not engaged in any investment-related business or occupation other than his investment advisory duties with Afton Capital Management, LLC.

Additional Compensation

Coy Monk does not receive additional compensation or other economic benefit from any third party in connection with the advisory services offered to clients.

Supervision

All investment decisions are formulated under the supervision of Afton's Portfolio Managers, Coy Monk and Camp Jenkins, who can be reached at 704-333-3110.

Brochure Supplement – Campbell Ort Jenkins

This Brochure Supplement provides information about Camp Jenkins that supplements the Afton Brochure, which is attached to this document. Please contact Allison Doyle at adoyle@aftoncapital.com or 704-333-3110 if you have any questions about the contents herein.

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Educational Background and Business Experience

Campbell Ort Jenkins III

Year of Birth: 1968

Education:

University of North Carolina at Chapel Hill

B.A. Major History

Year 1991

University of North Carolina at Chapel Hill

M.B.A.

Year 1998

Business Background:

Afton Capital Management, LLC

Managing Member/Portfolio Manager

2004 - Present

Condor, LP

Analyst

2001 - 2004

Interpath

Senior Product Manager

1998 - 2001

Equitable Securities

Trader

1992 - 1996

Disciplinary Information

An investment adviser must disclose material facts about any legal or disciplinary event that is material to your evaluation of our advisory business or of the integrity of our personnel. Camp Jenkins has not been the subject of any legal or disciplinary events.

Other Business Activities

Camp Jenkins is not engaged in any investment-related business or occupation other than his investment advisory duties with Afton Capital Management, LLC.

Additional Compensation

Camp Jenkins does not receive additional compensation or other economic benefit from any third party in connection with the advisory services offered to clients.

Supervision

All investment decisions are formulated under the supervision of Afton's Portfolio Managers, Coy Monk and Camp Jenkins. They can be reached at 704-333-3110.