

Part 2A of Form ADV: Firm Brochure

Item 1 - Cover Page

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The date of this brochure is February 10, 2012.

This brochure provides information about the qualifications and business practices of Hylas Capital Management, L.P. If you have any questions about the contents of this brochure, please contact us at (212) 251-3860 and/or ahorowitz@hylascapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Hylas Capital Management, L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Any reference to Hylas Capital Management, L.P. as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.

Item 2 - Material Changes

Not applicable.

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Item 4 - Advisory Business

- A. Hylas Capital Management, L.P. (“we” or “us”) is a Delaware limited partnership that was formed in April 2010. We and Hylas Capital Management GP, LLC (“Hylas GP”) are ultimately controlled by Adam Scotch (the “Portfolio Manager”) and August Roth (together with the Portfolio Manager, the “Principals”).
- B. We provide discretionary investment advice to the following private investment funds (collectively, the “Funds”): (i) Hylas Capital Partners, L.P. (the “Domestic Fund”); (ii) Hylas Capital Fund, Ltd. (the “Offshore Fund,” and together with the Domestic Fund, the “Feeder Funds”); and (iii) Hylas Capital Master Fund, Ltd., a private investment vehicle through which the Feeder Funds invest (the “Master Fund”). We generally invest and trade in long and short equity and debt positions.
- C. We generally do not permit investors in the Funds to impose limitations on the investment activities described in the offering documents for the Funds. (*See Item 16 “Investment Discretion.”*)
- D. We do not participate in wrap fee programs.
- E. As of January 1, 2012, we managed approximately \$243.4 million of regulatory assets under management on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Item 5 - Fees and Compensation

- A. Our fees and compensation are described in the advisory contracts we enter into with our clients. All of our clients are “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “1940 Act”).
- B. We generally deduct our management fees from the Master Fund quarterly in advance. Generally, we or our affiliates receive performance-based allocations from the Master Fund on an annual basis in arrears and upon redemptions by investors in the Funds.
- C. We are responsible for all overhead expenses of an ordinary and recurring nature such as rent, supplies, secretarial expenses, stationery, charges for furniture and fixtures, employee insurance, payroll taxes and compensation of employees. Each Fund will directly or indirectly bear all other expenses, including management fees, legal, accounting (including third-party accounting services), audit and other professional fees and expenses, organizational expenses, research expenses (including research-related travel), expenses of third-party valuation agents (if any), investment expenses (including, but not limited to commissions (*see Item 12 “Brokerage Practices” below*), custodial fees and bank service fees), fees and expenses of its administrator, and other expenses related to the purchase, sale or transmittal of its assets.

We may also allocate a portion of the Funds’ capital to money market funds or exchange-traded funds. In addition to the fees and expenses discussed above, the Funds will indirectly incur similar fees and expenses if we invest their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

- D. Management fees are generally paid by the Master Fund quarterly in advance, and will be prorated if the advisory contract is cancelled prior to the end of a payment period.
- E. *Not applicable.*

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

We or our affiliates receive annual performance-based allocations from the Funds, which are based on a percentage of the capital appreciation of their assets.

If, in the future, we manage client accounts with different performance-based fee and/or allocation terms than those of the Funds, it may result in a conflict of interest when we allocate opportunities among these accounts because we will have an incentive to favor accounts that have higher performance-based fees and/or allocations. To avoid such a conflict of interest, we would generally follow documented procedures in allocating opportunities among such accounts, which would not take into account the performance-based fees and allocations to which such accounts would be subject. Similarly, new issues (as defined by rule 5130 of the Financial Industry Regulatory Authority, Inc.) would be allocated to client accounts in accordance with the same procedures.

As the management fees and performance-based allocations are based directly on the net asset value of the Funds, we have a conflict of interest in valuing the assets held by the Funds. We will follow our documented valuation policies and consult with the third-party administrator to the Funds in order to mitigate this risk.

Item 7 - Types of Clients

We provide investment advice to the Funds. Investors in the Funds are generally institutional investors and high net worth individuals that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and “qualified purchasers” (as defined under the 1940 Act). The minimum investment in the Funds is generally \$1 million, subject to our discretion to accept lesser amounts.

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

- A. *Methods of Analysis and Investment Strategies Generally*

Investment Objectives and Strategy

The Funds seek to generate superior risk-adjusted returns primarily through managing long and short equity and debt positions in what we deem to be opportunistic mispriced long and short investments. In doing so, we generally focus on investment situations where there is some type of “catalyst” that will serve to close the gap between the current and “fair” value of the investment.

We primarily seek investments where, through due diligence and fundamental business and financial analysis, we can make a reasonable determination as to the inherent opportunities and risks of the potential investment, as well as to define a timeframe over which the expected return will likely be realized. Investment catalysts within our focus are generally the result of a distinct corporate “process,” and may include, among other events, financial reorganizations, voluntary recapitalizations, post-reorganization securities issuance, corporate mergers & acquisitions, operational restructurings and/or

management changes. In addition to a focus on an investment “catalyst,” fundamental business/valuation issues and an investment timeframe, we also generally seek investment opportunities that are relatively liquid within their respective trading markets and possess a readily assessable market value. However, as part of their ongoing investment programs, the Funds may on occasion acquire securities that possess less trading liquidity and which we believe are extraordinarily undervalued by the market. However, the Funds will not invest their assets in private investments.

In general, our short strategy typically represents the inverse of our long strategy, insofar as we seek situations where there is an overvaluation or an unsustainably positive bias regarding a specific investment opportunity. We may effect short sales (directly or indirectly through derivatives) for both hedging and speculative purposes. Short sales might also be used in order to structure long/short “pairs trades.” Such investments might entail going long and short different securities of the same company or, within the same industry and/or geography. The aggregate gross long exposure of the Funds’ portfolios will generally not exceed 120% and the aggregate gross short exposure of the Funds’ portfolios will generally not exceed 80%, in each case as determined and calculated by us in our sole discretion.

The Funds may make investments in a broad spectrum of industries, geographies and market capitalizations, with a general focus on companies within the United States, Canada and Western Europe. Investments include, but are not limited to, equity and debt securities of companies, corporate bank debt, options and other derivatives. In certain situations, the Funds may participate in a financial restructuring of a company as holders of its existing securities and/or bank debt. We might also utilize other strategies to capitalize on attractive investment opportunities for the Funds where, in our opinion, the risk/reward profile of such investments is strongly in the Funds’ favor.

We will enter into futures contracts primarily for (but not limited to) hedging purposes in the foreign currency and commodity markets, as well as to gain exposure to various securities indices. The Funds will consider the use of futures contracts relative to the economic attractiveness and practicality of utilizing other derivative instruments, such as options.

From time to time, the Funds may utilize margin borrowing in their investment programs, however the use of such margin borrowing is not expected to be significant. The Funds also may utilize financial leverage through the use of short sales, options, swaps and derivatives from time to time to hedge positions, as well as to express an outright stand-alone investment view.

We intend to pursue the investment objective described above and will generally follow the outlined investment programs for so long as such programs are in accordance with the Funds’ investment objectives. We reserve the right to formulate new strategies to carry out the investment objectives of the Funds.

The Funds have broad and flexible investment authority. Accordingly, the Funds’ assets may at any time include U.S. and non-U.S. long or short positions in: publicly traded or privately issued common stocks, investment companies (*e.g.*, exchange traded funds), currencies, futures (including financial futures), forward contracts, preferred stocks, stock warrants and rights, bonds, notes or other debentures, convertible securities, bank loans,

swaps, options (purchased and sold, covered and uncovered), and other securities or financial instruments.

There can be no assurance that the Funds will achieve their investment objectives. Investing in securities involves risk of loss that the Funds and their investors should be prepared to bear.

B. *Certain Risks Associated with Methods of Analysis and Investment Strategies*

There are a number of risks associated with the Funds' trading programs and strategies, including risks associated with investments, derivatives, and the practices of short selling and the use of leverage. Please refer to each Fund's confidential private offering memorandum for a more detailed description of such risks.

In addition, our approach may, from time to time, emphasize active management of each Fund's portfolio. Consequently, the Fund's portfolio turnover and brokerage commission expenses may from time to time be greater than for other types of investment vehicles.

C. *Not applicable.*

Item 9 - Disciplinary Information

Not applicable.

Item 10 - Other Financial Industry Activities and Affiliations

A. *Not applicable.*

B. *Not applicable.*

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related *person* listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. **broker-dealer, municipal securities dealer, or government securities dealer or broker**

Not applicable.

2. **investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)**

We and our related persons manage the Funds.

The management of the Funds may result in conflicts of interests when we and our related persons allocate our time and investment opportunities among the Funds. In addition, the compensation earned by us and our related persons from each of the Funds may differ from one another. We currently trade solely through the Master Fund. If, in the future, we manage another client account that

trades separately from the Master Fund, we will establish procedures for allocating trades between such account and the Funds and we and our related persons would generally follow such procedures when allocating trades among them (*see Item 6 above*).

We currently trade solely through the Master Fund. As such, we do not effect transactions between the Funds. If, in the future, we manage another client account that trades separately from the Master Fund, we will establish procedures for engaging in transactions between such vehicle and the Master Fund to address any potential conflicts of interest.

3. **other investment adviser or financial planner**

Hylas GP is the general partner of the Domestic Fund.

4. **futures commission merchant, commodity pool operator, or commodity trading advisor**

Not applicable.

5. **banking or thrift institution**

Not applicable.

6. **accountant or accounting firm**

Not applicable.

7. **lawyer or law firm**

Not applicable.

8. **insurance company or agency**

Not applicable.

9. **pension consultant**

Not applicable.

10. **real estate broker or dealer**

Not applicable.

11. **sponsor or syndicator of limited partnerships.**

Not applicable.

D. *Not applicable.*

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. We have adopted a Code of Ethics (the “Code of Ethics”) which is designed to ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. The Code of Ethics applies to all of our employees. In addition, we recognize that we have a fiduciary duty to our clients, and that all of our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of competence, dignity, integrity, and ethics. In addition, among other things, our Code of Ethics governs all personal securities transactions by our employees (as further described in *Item 11, Section C* below) and addresses certain conflicts of interest in connection with our advisory business. We will provide a copy of our Code of Ethics to the Funds or to any prospective client upon request.
- B. We make available to qualified prospective investors the opportunity to invest in the Funds. Our Principals have significant personal investments in the Funds. In addition, we and our affiliates receive performance-based allocations from the Funds.

As previously noted, we currently trade solely through the Master Fund and, as such, we do not effect transactions between the Funds. If, in the future, we manage another client account that trades separately from the Master Fund, we will establish procedures for engaging in transactions between such vehicle and the Master Fund (including procedures to address principal transactions). (*See Item 10, Section C.2 above.*)

- C. Under the Code of Ethics, our employees are generally prohibited from engaging in trading securities in any personal accounts. Employees generally may not trade single name equity or debt securities for their personal accounts. Further, employees must obtain the prior written approval of our chief compliance officer (“CCO”) (and our CCO must obtain the prior written approval of our controller) before closing any securities positions in their personal accounts that were owned prior to their employment with us.
- D. *Not applicable.*

Item 12 - Brokerage Practices

- A. *Selection of Brokers*

In placing portfolio transactions for the Funds, we seek to obtain the best execution for the Funds, taking into account the price, the ability of the brokers to effect the transactions, the broker’s facilities, reliability and financial responsibility and the provision or payment (or the rebate to the funds for payment) of the costs of property or services (*e.g.*, certain custodial services, research services, news and quotation services, certain publications, analytical and trading software, and trading products and services), financial stability and reputation of brokerage firms, and the brokerage or other services provided by brokers.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We will not commit to provide any level of brokerage business to any broker, and actual brokerage business received by any broker may be less

than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above.

Our Principals and CCO will convene at least semi-annually to independently evaluate various factors to determine whether the brokers we use achieved quality executions. In conducting such reviews, among the factors such persons may consider in evaluating best execution include: execution capacity, execution quality, commission rate, financial responsibility and financial services offered, willingness and ability to commit capital, confidentiality, trading expertise, facilities, reputation and integrity, reliability in keeping records, responsiveness, and with respect to a particular trade, the timing and size of the order, available liquidity and market conditions. Such persons will also review commissions paid to brokers, soft dollar arrangements and conflicts of interest (which may, among other reasons, exist if a broker provides services (other than providing research) to us or if an employee has the ability to direct business to a broker-dealer where his or her family member is employed).

1. Research and Other Soft Dollar Benefits

We enter into soft dollar arrangements with brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements pose a conflict of interest for us in that such arrangements allow us to use Fund brokerage commissions to pay for expenses that would otherwise be borne by us. When we use Fund brokerage commissions (or markups or markdowns) to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for such research, products or services. We may have an incentive to select a broker based on our interest in receiving the research or other products or services offered by such broker, rather than on the Funds' interests in receiving the most favorable execution.

We will only use soft dollars to obtain products and services that fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any new arrangements with broker-dealers regarding soft dollars must be approved in advance by our CCO. The terms of any such arrangement will be documented in a written agreement that is executed by us and the broker-dealer. Our employees must obtain approval from our CCO before using soft dollars to obtain any new product or service. Our CCO will determine whether the product or service is eligible under the Section 28(e) safe harbor.

Under Section 28(e), in exercising our discretionary authority to select or arrange for the selection of brokers for execution of transactions for the Funds, and, subject to our duty to obtain best execution, we may consider the value of research and brokerage products and services (collectively, "Research") provided by such brokers. Research may include, among other things, proprietary research from brokers, which may be written or oral. Research products may include, among other things, databases and quotation services. Research services may include, among other things, research reports (including market research); certain financial newsletters and trade journals; software that provides an analysis of securities portfolios; corporate governance research and rating services;

attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a Fund may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research provided by such brokers may be used to service all Funds and not exclusively in connection with the management of the Fund(s) that generated the particular soft dollar credits.

Where a product or service obtained with Fund brokerage commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with Fund brokerage commission dollars.

Our prime broker(s) may provide us with capital introduction, recruiting assistance, and front and back office services, including trading, securities lending, clearing, reporting, and settlement for equities, fixed income, foreign currency and options, among others. For example, we lease office space at market rates from UBS Securities LLC ("UBS"), one of our prime brokers. Additional services provided by UBS at market rates include certain operational and back office services and technology support in addition to the office space, such as telephone and data network infrastructure and maintenance, receptionist, mailroom and technical support, office furniture, telephone equipment and usage, cable service, food and beverage services, access to common market data, computer equipment and copiers, and shared use of common areas.

We execute securities transactions on behalf of the Funds with broker-dealers that provide us with access to proprietary research reports (such as standard investment research and credit reports). To our knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by the Funds or the volume of business that we direct to such broker-dealers.

During our last fiscal year, we acquired with Fund brokerage commissions (or markups or markdowns) (i) research, such as proprietary research from brokers, which may have been written and/or oral; (ii) research products, such as databases and quotation services; and (iii) research services, such as research concerning market, economic and financial data; a particular aspect of economics or on the economy in general; statistical information; pricing data and availability of securities; financial publications; electronic market quotations; analyses concerning specific securities, companies, industries or sectors; market, economic and financial studies and forecasts; and invitations to attend conferences or meetings with management or industry consultants.

During our last fiscal year, we have taken into account the quality, comprehensiveness and frequency of available research services and products considered to be of value provided by brokers when directing Fund transactions to a particular broker. We directed transactions to such brokers only consistent with best execution. Our CCO (or his designee) will periodically review our use of soft dollars to ensure that such use is within the safe harbor provided by Section 28(e).

2. Brokerage for Client Referrals

Subject to applicable law, we may direct some Fund brokerage business to brokers who refer prospective investors to the Funds, consistent with best execution. Because such referrals, if any, are likely to benefit us but will provide an insignificant (if any) benefit to the Funds, we have a conflict of interest with the Funds when allocating Fund brokerage business to a broker who has referred investors to us. To prevent Fund brokerage commissions from being used to pay investor referral fees, we will not allocate Fund brokerage business to a referring broker unless we determine in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to the Fund.

3. Directed Brokerage

Not applicable.

4. Trade Error Policy

Subject to applicable law, we will generally reimburse the applicable Fund(s) for net losses that occur as a result of trade errors resulting from our bad faith, gross negligence, willful misconduct or violation of law.

Our CCO will work with our Portfolio Manager to resolve any trade errors. Trade tickets reflecting errors should be preserved, and new trade tickets will be prepared if additional trading is necessary to resolve an error. Our CCO will maintain a trade error file that contains all documentation necessary to substantiate the actions taken to resolve each error.

B. Aggregation of Orders

Aggregation, or “bunching,” describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for us generally arise when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. We are not required to aggregate trades.

As previously noted, we currently trade solely through the Master Fund. Therefore, we do not aggregate trades between the Funds. If, in the future, we manage another client account that trades separately from the Master Fund, we will establish procedures for aggregating trades between such client account and the Master Fund (which will take into account our duty to seek best execution).

Item 13 - Review of Accounts

- A. Our Portfolio Manager will review the Funds' portfolio holdings periodically to determine that the securities (and other financial instruments) held by the Funds remain consistent with the offering documents. We have implemented a policy to ensure that all portfolios are reviewed and being managed according to each Fund's investment objectives and pursuant to our stated investment strategies and procedures. We regularly analyze securities for the Funds' portfolios, and securities holdings are reviewed on a frequent basis by our investment management personnel.

Our Portfolio Manager is responsible for reviewing the portfolios of the Funds. At least quarterly, our Portfolio Manager, together with our CCO, will review the Funds' portfolios, including looking for irregularities.

- B. *Not applicable.*
- C. We may, in our discretion, furnish investors in the Funds with periodic written unaudited performance reports on a monthly basis as well as quarterly letters. On an annual basis, investors receive a copy of the relevant Fund's annual audited financial statements and, where applicable, a statement of taxable income (form K-1).

We may provide certain investors access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us (including, notification of the commencement of certain disciplinary actions, legal proceedings, investigations or similar matters against a Fund, us and/or our personnel, or of redemptions from a Fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

Item 14 - Client Referrals and Other Compensation

- A. We enter into soft dollar arrangements with brokers pursuant to which we obtain certain research and brokerage products and services in return for directing a Fund's securities transactions to the broker (*see Item 12, Section A "Selection of Brokers"*).
- B. *Not applicable.*

Item 15 - Custody

Not applicable.

Item 16 - Investment Discretion

We have discretionary authority to manage securities accounts on behalf of the Funds. The investors in the Funds generally may not place any limits on our authority beyond the limitations set forth in the offering and governing documents of the Funds.

Item 17 - Voting Client Securities

We generally have voting discretion over securities held by the Funds. The Funds are generally not able to direct their votes in a particular situation. We will vote each proxy in accordance with our fiduciary duties to each Fund.

We have adopted proxy voting policies and procedures which are summarized below:

Our Portfolio Manager will be responsible for determining how to vote each proxy. We may utilize a third party to assist us in coordinating and delivering proxies.

Our Portfolio Manager will determine whether there is a conflict of interest related to the proxy in question. If no material conflict is identified pursuant to our proxy voting policies and procedures, our Portfolio Manager will decide how to vote the proxy.

In the absence of specific voting guidelines from a Fund or conflicts of interest, we will vote all proxies in the manner that our Portfolio Manager determines is in the best interests of each Fund, which may result in different voting results for proxies for the same issuer. In addition, we may abstain from voting if we determine that abstaining is in the applicable Fund's best interests.

Our Portfolio Manager may take into account the following factors, among others, in determining whether a specific proposal is in the best interests of a particular Fund: (a) management of the issuer's views and recommendations on such proposal; (b) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (*e.g.*, instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (c) whether he believes that the proposal will fairly compensate management for its and/or the issuer's performance.

As stated above, in evaluating how to vote a proxy, our Portfolio Manager will consider whether we are subject to any material conflicts of interest in connection with a proxy vote. If we detect a material conflict of interest in connection with a proxy solicitation, our CCO will review and determine the appropriate course of action. If he believes that a material conflict of interest exists between us and any of the Funds, we will rely exclusively in making our voting decision on the recommendation of an independent third party who is experienced in advising investment advisers regarding proxy voting decisions.

Special considerations may apply in cases of conflicts of interest involving ERISA clients. Our CCO will confer with appropriate ERISA counsel in such cases.

Upon request by a Fund, we will disclose to such Fund how we voted securities owned by such Fund. The Funds may also contact us via e-mail or telephone to request a copy of our proxy voting policies and procedures.

Item 18 - Financial Information

Not applicable.

Item 19 - Requirements for State-Registered Advisers

Not applicable.