

---

---

## **Form ADV Part 2A**

### **Brochure Cover Page**

Newport Global Advisors LP  
801--66417

21 Waterway Avenue, Suite 150  
Woodlands, TX 77380-3098

Phone: 713-559-7400  
Email: [info@ngalp.com](mailto:info@ngalp.com)  
Web: [www.newportglobaladvisors.com](http://www.newportglobaladvisors.com)

03/29/2013

**This brochure provides information about the qualifications and business practices of Newport Global Advisors LP. If you have any questions about the contents of this brochure, please contact us [info@ngalp.com](mailto:info@ngalp.com). 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.**

**Additional information about Newport Global Advisors LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Form ADV - Material Changes for Part 2A

---

### **Newport Global Advisors LP**

#### **Assets Under Management**

This Item has been amended to reflect that as of December 31, 2012, Newport Global Advisors LP managed \$572 Million on a discretionary basis.

#### **Change in Custodian and Prime Broker**

This Item reports that Pershing LLC, along with Bank of America, are Qualified Custodians and have actual custody of the funds and securities of the Registrant's clients. Pershing LLC, which also is a Prime Broker for the Registrant's clients, succeeded an affiliate of the Credit Suisse organization as a Qualified Custodian for the private investment funds advised by the Registrant.

---

---

## **Table of Contents**

Item 1 Cover Page.....	1
Item 2 Material Changes.....	2
Item 3 Table of Contents.....	3
Item 4 Advisory Business.....	4
Item 5 Fees and Compensation.....	6
Item 6 Performance-Based Fees and Side-By-Side Management.....	7
Item 7 Types of Clients.....	7
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9 Disciplinary Information.....	10
Item 10 Other Financial Industry Activities and Affiliations .....	11
Item 11 Code of Ethics, Participation or Interest in Client .....	11
Item 12 Brokerage Practices.....	12
Item 13 Review of Accounts.....	14
Item 14 Client Referrals and Other Compensation.....	14
Item 15 Custody.....	14
Item 16 Investment Discretion.....	15
Item 17 Voting Client Securities.....	15
Item 18 Financial Information.....	15
Item 19 Requirements for State-Registered Advisers.....	15

### Newport Global Advisors LP

#### Item 4 Advisory Business

The Registrant was formed in 2005. Since May 5, 2006 when the Securities and Exchange Commission (the "SEC") granted its registration as an investment adviser, it has been providing investment advice and related services to pooled investment vehicles and private investment funds on a discretionary basis. (Note that SEC registration does not imply a certain level of skill or training.) Fifty percent of the firm is directly owned by Newport Global Advisors LLC, its general partner; the remaining fifty percent is directly owned by Newport Global Advisors Feeder LLC, a limited partner of the Registrant. Messrs. Timothy T. Janszen and Ryan L. Langdon each own more than 25% but less than 50% of Newport Global Advisors LLC and Newport Global Advisors Feeder LLC and each is a principal officer of the Registrant: Mr. Janszen serves as President and CEO and Mr. Langdon is Senior Managing Director.

The Registrant provides investment advice and related services to pooled investment vehicles and private investment funds (such clients of the Registrant are referred to collectively herein as the "Funds") and as such makes investment decisions on behalf of such Funds according to the investment objective of each Fund. Generally (and with some variation), the investment objective of the Funds is to seek a high level of current income and/or total return through investments in bank loans, mezzanine and unsecured debt, equity and other debt instruments of high yield stressed and distressed companies or derivatives on such loans or securities (e.g., total return swaps). The specific investment strategy and objective of each Fund is set forth in such Fund's Private Placement Memoranda and their respective Amended and Restated Agreements of Limited Partnerships.

Each Fund may impose restrictions on investing in certain securities or types of securities. Currently the Registrant provides investment advice to two Funds, namely, the Newport Global Opportunities Fund LP (together with any parallel or feeder vehicles, the "Opportunities Fund") and Newport Global Credit Fund LP (together with any parallel or feeder vehicles, the "Credit Fund"). The Registrant provides portfolio management and administrative services to the Funds, including investigating, structuring and negotiating potential investments, monitoring the performance of portfolio investments and advising the Funds as to disposition opportunities.

As of August 31, 2012, the Registrant managed \$ 572 Million on a discretionary basis. By client, this amount is broken down as follows: Newport Global Opportunities Fund (together with its parallel and feeder funds): \$ 444 Million; Newport Global Credit Fund (together with its parallel and feeder funds): \$ 126 Million.

The Registrant may enter into arrangements with private investment funds, taxable and non-taxable entities and institutions, and others whereby it provides non-discretionary advisory services. The fee for such non-discretionary advisory services will be negotiable. Currently, the Registrant has no such non-discretionary advisory service arrangements in place.

The following persons are principals and officers of the Registrant (referred to in this Brochure as "Principals" or "Managing Principals") and are deemed to be advisory persons in that collectively they formulate investment advice for the Registrant's clients (namely, the Funds) and have direct contact with the Funds and their limited partners. Members of the Registrant's Investment Committee are noted:

#### Timothy T. Janzen

Chief Executive Officer and member of the Investment Committee. Born: 1964; Formal Education: Bachelor of Science in Business Administration, cum laude, Xavier University, 1986 (Cincinnati, OH); Business Background for the preceding five years: Newport Global Advisors L.P., Chief Executive Officer, Chairman, Board of Directors (10/2005 to Present); Member, Board of Directors: Amtrol, Inc. (06/2007 to Present); American Blue Ribbon Holdings (04/2009 to Present); True Temper Sports, Inc. (12/2009 - 07/2012); Autocam Transportation (11/2010 to 01/2011); Autocam Medical (11/2010 to 01/2011); Eldorado Resorts (12/2010 - Present); Mesquite Gaming (08/2011 to Present). There are no other business activities to report.

There is no disciplinary history to report.

## Form ADV - Part 2A

---

There is no additional compensation to report.

### Ryan L. Langdon

Senior Managing Director and member of the Investment Committee. Born: 1972; Formal Education: Bachelor of Science in Business Education, Miami University, 1994 (Oxford, OH); Master of Arts in Economics, Miami University, 1995 (Oxford, OH); Business Background for preceding five years: Newport Global Advisors L.P., Senior Managing Director, Director (10/2005 to Present); Member, Board of Directors: Amtrol, Inc. (06/2007 to Present); Autocam Corporation (09/2009 to Present); Autocam Medical (09/2009 to Present); American Blue Ribbon Holdings (11/2010 to Present); Merisant (01/2011 to Present); Mesquite Gaming (08/2011 to Present); True Temper Sports, Inc. (07/2010 to 07/2012); Uno Restaurants (07/2010 to Present) and Harry and David Holdings (07/2011 to Present). There are no other business activities to report.

There is no disciplinary history to report.

There is no additional compensation to report.

### Roger A. May

Senior Managing Director, Chief Financial Officer, Chief Operating Officer, Chief Compliance Officer; Born: 1966; Formal Education and Designations: Bachelor of Science in Mathematics, Louisiana State University, 1989 (Baton Rouge, LA); Master of Business Administration, University of Houston, 1966 (Houston, TX); Chartered Financial Analyst; Business Background for preceding five years: Newport Global Advisors L.P., Senior Managing Director, Chief Operating Officer (10/2005 to Present); Chief Financial Officer (01/2010 to Present), Chief Compliance Officer (01/2011 to Present). There are no other business activities to report.

There is no disciplinary history to report.

There is no additional compensation to report.

## **Item 5 Fees and Compensation**

In accordance with its Amended and Restated Limited Partnership Agreement from the date of its initial closing to August 1, 2011 (the date of its fifth anniversary of the first drawdown of committed capital), the Opportunities Fund paid the Registrant an investment management fee equal to a specified percentage of capital commitments. Since then, the management fee has been a percentage of remaining funded capital commitments, (namely, capital commitments reduced by distributions constituting returns of capital not subject to recall).

In accordance with its Amended and Restated Limited Partnership Agreement, the Credit Fund will pay the Registrant a quarterly management fee equal to a specified percentage of its Net Asset Value as of the first day of a calendar quarter.

Management fees will be payable quarterly in advance and may be paid out of current cash flow, disposition proceeds of the Funds or from drawdowns of unfunded commitments. As provided by the each of the Fund's Amended and Restated Limited Partnership Agreements, no refund of a pre-paid investment management fee is available if the investment management agreement between the Registrant and each of the Funds is terminated before the end of a billing period.

In addition, with respect to the Opportunities Fund, after the fund has been reimbursed for certain fees and expenses, including the Registrant's management fee, its general partner may receive a specified allocation of the profits after a

## **Form ADV - Part 2A**

---

specified preferred return to the Fund's limited partners of such fund and, with respect to the Credit Fund, its general partner may receive a specified allocation of the profits of such fund, calculated annually and subject to a 'high water' mark.

The payment of any performance fees will comply with Rule 205 –3 under the Investment Advisers Act of 1940 (the "Advisers Act").

The Registrant may enter into arrangements with private investment funds, taxable and non-taxable entities and institutions, and others whereby it provides non-discretionary advisory services for a negotiated management fee. Currently, the Registrant has not entered into any arrangements whereby it provides non-discretionary investment management advice or services.

In addition to the advisory fee paid to the Registrant by any client, including each Fund, in connection with the Registrant's advisory fee, each client and Fund will pay custodial and brokerage and other transaction costs and fees, including mark-ups and commissions. No client or Fund has the option of purchasing or selling investment products the Registrant recommends through other brokers or agents that are not affiliated with the Registrant.

No employee, related person or associated person of the Registrant will accept compensation for the sale of securities or other investment products.

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

With respect to the Opportunities Fund, after the fund has been reimbursed for certain fees and expenses, including the Registrant's management fee, its general partner may receive a specified allocation of the profits of such fund after the fund's limited partners receive a specified preferred return. With respect to the Credit Fund, its general partner may receive an allocation of a percentage of the profits of such fund, calculated annually and subject to a 'high water' mark. This performance based fee may create an incentive for the Registrant to recommend riskier or more speculative investments for the Funds. Currently, the Registrant's only clients are the Funds. The Registrant has not entered into any investment management agreement with a client that does not provide for performance based fees.

The payment of any performance fees will comply with Rule 205 –3 under the Advisers Act.

### **Item 7 Types of Clients**

As noted in Item 4 above, the Registrant currently provides investment advice to pooled investment vehicles and private investment funds. Investors in these pooled investment vehicles and private investment funds are generally public and private pension and profit sharing plans and to a lesser extent, corporations. The minimum investment in the Opportunities Fund was \$10 Million. The minimum investment in the Credit Fund is \$5 Million although the Registrant, as the Manager of the Credit Fund, in its sole discretion, may permit investments of less than \$5 Million.

### **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

With respect to each potential investment opportunity for the Opportunities Fund and the Credit Fund, the Registrant conducts internal, bottoms up research as appropriate given the nature of the particular investment opportunity. The following key assessment criteria typically will form the basis of the investment analysis of the issuer's financial model:

## Form ADV - Part 2A

---

- **Management:** Quality and responsiveness of the issuer's management, or the ability to improve its management through active involvement in the restructuring process and/or at the company's board level;
- **Industry:** Macroeconomic or industry conditions, such as relevant industry cycles, overcapacity and level of competition, raw materials pricing, technological or regulatory changes and similar considerations;
- **Company Fundamentals:** Microeconomic and issuer fundamentals, such as an issuer's competitive position or market share within its industry, barriers to entry, customer concentrations and similar considerations;
- **Capitalization:** Capital structure problems and structural complexity of the issuer;
- **Company Specific Issues:** Identified issuer problems, such as operational issues, labor/union issues, actual or potential litigation claims, and the potential opportunities for resolution of such problems;
- **Free Cash Flow:** Free cash flow capacity of the issuer's business model over time relative to (a) its current capital structure and (b) various potential restructuring outcomes; and
- **Valuation:** Reasonableness of the valuation assumptions underlying the price of the target investment relative to the various potential upside and downside monetization scenarios.

The Registrant uses the following sources of information: Financial newspapers and magazines; Inspections of corporate activities; Research materials prepared by others; Corporate rating services; Annual reports, prospectuses, filings with the SEC; and Company press releases.

Due diligence begins with the Registrant's own compilation and review of public information readily available on the target investment, including, where appropriate: SEC documents and annual reports; industry periodicals; industry research; the business' own manuals; catalogues and websites; meetings and conference calls, to the extent possible, with management, employees, suppliers, customers, investors, board members and any other persons relevant to the potential investment. This process enables the Registrant to better understand and analyze the company's financial statements as well as to build a proprietary model of the business.

This model, which is intended to analyze the financial and valuation risk associated with the investment, generally will have a consistent framework, which seeks to analyze:

- **Historical Results:** Historical results, including relevant income statements, cash flow statements, and balance sheet data as well as relevant industry specific metrics and statistics;
- **Capital Structure:** Capital structure issues, including amount, type and ranking of debt, equity, and other funded and unfunded capital; relevant incurrence and maintenance covenants for each element in the structure; and equity puts, calls and other arrangements;
- **Future Operating Performance:** Estimates of the company's future earnings and cash flow generating capability based on due diligence findings and, where possible, guidance from management; and
- **Valuation:** Valuation of the business and/or its assets utilizing multiple approaches including: historical cost and/or replacement values of buying or building the assets, relative value versus other similar public companies and/or M&A valuation multiples of comparable companies, intrinsic value employing a discounted cash flow analysis of the company's future cash flows.

In addition to this framework analysis, which typically will be applied to all target investments, certain companies may require additional types of analysis, tailored to their unique fundamentals. Where appropriate and at the expense of the

## Form ADV - Part 2A

---

Funds, the Registrant may seek the advice of outside legal counsel. This analysis of historic and future financial and operational risks, as well as valuation risk, will enable the Registrant to understand in depth the overall risk of the investment.

This analysis, when completed, is expected to give the Registrant perspective on the fundamental criteria that it applies to all new ideas, and will then discuss internally the target investment opportunity in relation to these criteria.

The investment strategies used to implement any investment advice given to clients includes:

Long term purchases;  
Short term purchases;  
Margin transactions;  
Options writing, including covered options, uncovered options or spreading strategies;  
Hedging Arrangements; and  
Investments in Swaps

The Registrant's strategy is designed to exploit the volatility in default rates as they change with economic conditions. The Registrant intends to identify a small number of companies with clearly identified financial and/or operational challenges for which it can develop solutions and influence the resolution. The Registrant expects to focus on issuers for which it believes a resolution can be effected within 6 to 24 months and that will generate an increase in trading value and expectation of a liquidity event. The Funds will not take a restricted position unless the Registrant determines that the benefit of the restricted information offsets the lack of liquidity and/or it believes its influence will add value to the investment. There can be no assurance the Registrant's investment approach will be successful.

The Registrant does not expect the Funds to generate significant returns on short-term positions, and as such does not intend to spend significant time seeking such opportunities.

The Registrant intends that the Funds will make both non-control and control investments. The Registrant considers a control investment to be one in which separately or collectively the Funds acquire a meaningful portion of an issuer's claims, such that the Registrant may participate actively in the issuer's restructuring process. Such activism may arise from a minority holding for which the Registrant, through the Funds, works as a member of a group attempting to resolve financial and/or operational issues, or from a majority holding for which the Registrant acts as a lead or sole investor in solving such issues. The Registrant believes that activism driven by substantial claims holdings can enable the Registrant to mitigate financial and operational risks, isolate valuation risk and earn a return thereon, which the Registrant expects will maximize total return. There can be no assurance that the Registrant's approach will be successful. The Registrant expects that control investments will make up more than half of the Funds' portfolio. If the Registrant assumes a leadership role in a restructuring process, to the extent possible or reasonable, the Registrant will seek to act in a way that benefits the entire class equally.

Certain Risks Relating to the Investment Strategies of the Funds: Investments in the Funds are speculative and involve a substantial degree of risk, including the possible loss of an investor's entire principal amount. An investment in the Funds should be made only after consulting with independent, qualified sources of investment, legal, tax accounting and other advice. The risks generally applicable to the investment strategy of each Fund are summarized below. This does not purport to be an exhaustive list. These risks are described in greater detail in the Private Placement Memoranda provided to the Funds' Limited Partners. There are certain risks (in addition to the risks related to our investment strategies) associated with investing in the Funds which are also described in the Private Placement Memoranda.

The risks relating to the investment strategies of the Funds, include, but are not limited to, the risks summarized below:

1. The nature of long-term investments with no certainty of return, little or no near-term cash flow available to investors and small secondary markets;
2. Changes in general economic conditions;
3. The companies whose securities and instruments the Funds are focused on may be in transition, out-of-favor, financially leveraged or troubled (or potentially troubled), or may be or have recently been involved in major strategic actions, restructurings, bankruptcies, reorganization or liquidation.



## Form ADV - Part 2A

---

4. Where the Funds' General Partners and the Registrant determine to enter into hedging transactions, depending on whether the value of such investments or other assets of a Fund increases or decreases, the hedging arrangements may limit the opportunity for gain or not provide the protection against loss sought.
5. Availability of debt financing for transactions;
6. Highly competitive market for investments;
7. Reliance on the expertise of investment professionals of the Registrant and its affiliates;
8. Potential conflicts of interest among the Funds or between the Funds on the one hand and the Registrant, and its affiliates and investment professionals on the other hand;
9. Subordination of any claims the Funds may have;
10. Exposure to portfolio company and related party claims;
11. Potential liabilities in connection with dispositions of investments;
12. Reliance on portfolio company management;
13. Certain additional economic, political, regulatory and other risks relating to non-US investments, including the volatility of the securities markets generally;
14. Illiquidity of investments;
15. Lack of diversity;
16. Investments in portfolio companies with high levels of debt;
17. The credit risk of Prime Brokers; and
18. Possible investments in below investment grade debt instruments.

As described in the Funds' Private Placement Memoranda, each of the risks factors set forth above, on its own, could have a material adverse effect on a Fund. The Funds' investment returns will be unpredictable. Investors should not construe the performance of earlier investments by the Registrant or any of the investment funds advised by the Registrant as providing any assurances regarding the future performance of any Fund. The fact that any of risk factors listed above failed to occur in the past, or occurred but did not have a material adverse effect on the Registrant or any of the investment funds it manages should in no way be considered an indication that such risk factors(s) will not occur in the context of any Funds or, if they occur, that they will not have a material adverse effect on the Fund.

### **Item 9 Disciplinary Information**

Neither the Registrant nor any Management Person or employee is or has been the subject of any legal or disciplinary event that would be material to a client's or prospective client's evaluation of the Registrant's business or integrity.

### **Item 10 Other Financial Industry Activities and Affiliations**

Neither the Registrant or any Management Person is registered, or has an application pending to register, as a broker-dealer or as a registered representative of a broker-dealer.

The Credit Fund engages in limited trading in commodities and may be considered to be operating a commodity pool. As Manager of the Credit Fund, pursuant to applicable laws and regulations concerning the Commodity Futures Trading Commission, the Registrant made an exemption filing pursuant to Rule 4.18(a)(8). Neither the Registrant or any Management Person is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Except as described below, there is no relationship or arrangement that is material to the Registrant's advisory business or to its clients (i.e., the Funds) that Registrant or any of its Management Persons have with any related person listed immediately above.

## Form ADV - Part 2A

---

Newport Global Opportunities GP LP and Newport Global Credit Fund GP LP are related to the Registrant and its Management Persons and are the general partners of the Opportunities Fund and the Credit Fund, respectively.

The Registrant does not recommend or select other investment advisers for its clients and does not and has never received compensation directly or indirectly from those advisers.

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

The Registrant has adopted and adheres to a Code of Ethics ("Code") which imposes ethical standards and duties on the Principals, partners, directors, employees and other persons subject to the Applicant's control and supervision (collectively referred to herein as "Supervised Persons"). The Code is grounded on the principle that the Registrant and Supervised Persons owe a fiduciary duty to the Registrant's clients, including any Funds, and that the interests of the Funds must always be placed above the business, financial and personal interests of the Registrant and Supervised Persons.

The Code uses three main features to protect the Funds. First, it prohibits certain activities by Supervised Persons that involve the potential for conflicts of interest. Supervised Persons are prohibited from directly or indirectly giving or receiving gifts, favors, entertainment, special accommodations or other items having more than a de minimis value to persons, including officials of a government entity, political party or political action committee that might reasonably be expected to inappropriately influence their decision-making process or the decision-making process of the recipient. The outside activities of Supervised Persons that interfere, compete or conflict with the interests of the Registrant or its clients is also restricted.

Second, in order to avoid conflicts of interest between personal securities transactions and investment transactions the Registrant is considering or makes on behalf of any Fund, the Code prohibits or restricts certain kinds of trading by Supervised Persons. Generally, and subject to specific exceptions, the Principals and other Supervised Persons are prohibited from purchasing, selling or holding in any account in which they have a beneficial interest, any security held by a Fund or any security subject to a firm-wide restriction or which is the subject of the Applicant's investment decision making process. The Code also requires those Supervised Persons who have been designated as Access Persons under the Code to pre-clear their personal transactions in certain securities as provided by the Code. Access Persons are also prohibited from purchasing securities offered in an initial public offering or a private placement.

Third, the Code requires Access Persons to make timely filings of quarterly reports of transactions and annual reports of securities holdings so that they may be checked for conflicts with the investment activities of the Funds.

All employees are expected to be familiar with the Code and adhere to its provisions. The Registrant may address violations of the Code by imposing sanctions it deems appropriate including, but not limited to, penalties, the disgorgement of trading gains and termination of employment.

The Code is administered and enforced by the Registrant's Compliance Officer (or his/her designee). In rare instances, the Compliance Officer may grant requests for relief from those Code provisions not mandated by the Securities and Exchange Commission.

The Registrant will provide copies of its Code clients, including the Limited Partners of its advised Funds, and prospective clients upon request, at no charge.

Neither the Registrant or any related person is permitted to engage in any principal transaction with any Fund or client. To date, the Registrant has not engaged in any cross transaction whereby a Fund will sell a security to another Fund that wants to own that security. Registrant does not anticipate engaging in any cross transactions, but to the extent it does, it will do so only after extensive review and documentation to ensure compliance with applicable provisions of the Investment Advisors Act of 1940 and the rules thereunder.

### **Item 12 Brokerage Practices**

With respect to those accounts the Registrant manages on a discretionary basis, i.e., the Funds, the Registrant is responsible for the placement of the Funds' portfolio transactions and the negotiation of prices and commissions, if any, with respect to such transactions. Fixed income and unlisted equity securities are generally purchased from a primary market maker acting as principal on a net basis without a stated commission but at prices generally reflecting a dealer spread. Listed equity securities are normally purchased through brokers in transactions executed on securities exchanges involving negotiated commissions. Both fixed income and equity securities are also purchased in underwritten offerings at fixed prices which include discounts to underwriters and/or concessions to dealers.

The Registrant makes investment decisions on behalf of each Fund in accordance with that Fund's stated investment objectives. Purchases and sales of securities are generally made with respect to each Fund individually. At times however, the Registrant may purchase or sell the same securities in an aggregate amount for allocation to or from more than one Fund based upon their relative levels of liquidity, differing investment objectives, methodologies, strategies and restrictions and subject to certain minimums for investment. If the Registrant is not able to purchase or sell the entire allotment required to satisfy orders on behalf of the Funds for which it wished to allocate securities, the Registrant will allocate such securities pro rata based on the available commitments of each Fund, unless the Registrant determines that another method of allocation is fairer or more equitable under the circumstances.

The Registrant's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution on transactions effected for each Fund. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors will be considered as they are deemed relevant. These factors include but are not limited to the Registrant's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities as well as the reputation and perceived soundness of the broker or dealer selected and other brokers or dealers considered; the Registrant's knowledge of actual or apparent operational problems of any broker or dealer; the broker's or dealer's execution services rendered on a continuing basis and in other transactions; the reasonableness of spreads or commissions; and the research services and products furnished by the broker or dealer, if any.

In seeking to obtain best execution, the Registrant generally will not seek in advance competitive bidding for the most favorable commission rate or spread applicable to any particular portfolio transaction or to select any broker or dealer on the basis of its purported or "posted" commission rate. The Registrant will endeavor to be aware of the current level of the charges of eligible brokers or dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its accounts. Although the Registrant generally seeks competitive commission rates and dealer spreads, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker or dealer involved and would thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with obtaining best execution, brokerage commissions (including dealer spreads paid on certain principal transactions in accordance with SEC interpretations) on the Funds' portfolio transactions may be directed by the Registrant to a broker or dealer in recognition of research services furnished by the broker or dealer or a designated third party, as well as for services rendered in the execution of orders by such broker or dealer. The Registrant may maintain an internal allocation procedure to identify those broker dealers who have provided it with research services and may endeavor to place sufficient transactions with them to ensure the continued receipt of research services the Registrant believes are useful to each Fund. The Registrant does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research

## Form ADV - Part 2A

---

received is, in the aggregate, of assistance to the Registrant in fulfilling its overall duty to its clients. However, each and every research service may not be used to service each and every account managed by the Registrant and the Registrant may use research services to service accounts that did not pay commissions to the broker dealers providing such research services. Moreover, the Registrant may benefit from these services, as it may not have to pay for such research services and products out of its own resources.

The receipt of investment research and information and related services permits the Registrant to supplement its own research and analysis and makes available to the Registrant the views and information of individuals and research staffs of other firms. The views and information include written materials on certain companies, industries, areas of economy or market factors and other areas which might affect the economy or securities prices. Research services may also include, within SEC guidance, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market actions, pricing and appraisal services, credit risk measurement and performance analysis, analysis of corporation responsibility issues, portfolio strategy, analytic computer software and account performance services. They also include advice from broker dealers as to the value of securities, availability of securities, availability of buyers and availability of sellers. In addition, they include recommendations as to purchase and sale of individual securities and timing of transactions.

As a matter of policy, since it was established and began providing investment advisory services in 2006, the Registrant has directly paid for computer hardware and software and on-line research subscription services, including those offered by Bloomberg Financial L.P. and The markets.com, L.L.C., from the management fees it receives from the Funds. Should this policy change, the Registrant's policy and activities will be within the protection provided to discretionary investment managers by the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934 and will be consistent with relevant SEC interpretative guidance. Among other things, the Registrant will make a good faith allocation between research and non-research functions. At that time, as is the current practice, the non-research portion will be paid in cash by the Registrant, while the portion attributable to research will be paid through brokerage commissions. Brokers or dealers selected by the Registrant may be paid commissions for effecting transactions for the Fund in excess of the amounts other brokers or dealers would have charged for effecting these transactions if the Registrant determines in good faith that such amounts are reasonable in relation to the value of the brokerage and /or research services provided by those brokers or dealers, viewed either in terms of a particular transaction or the Registrant's overall duty to its discretionary accounts.

### **Item 13 Review of Accounts**

The Registrant's Principals monitor each Fund's portfolio and investment activities on a continuous and systematic basis by analyzing external market data, using its own proprietary financial models and considering reports provided to it by the Funds' Administrator, Prime Broker and Custodian. The Registrant provides Fund investors with written quarterly portfolio reviews.

The nature and frequency of reports to clients are determined primarily by the particular needs of each client. In the instance of the Funds, the General Partner of each Fund and an affiliate of the Registrant will direct to the Funds' Limited Partners, an annual report, including audited financial statements, setting forth for the fiscal year: (i) the assets and liabilities of that Fund as of the end of such fiscal year; (ii) the net profit or net loss of the Fund for such fiscal year; and (iii) each Limited Partner's closing Capital Account balance as of the end of such fiscal year.

Within 60 days after the end of each calendar quarter, or as soon as practical thereafter, the Funds' General Partners will also direct to the Funds' Limited Partners financial reports and descriptive investment information pertaining to certain of the Fund's investment portfolio.

Occasionally, between quarterly reports, each Fund's General Partner may provide to the Limited Partners of that Fund such information concerning the Fund's investments as the Fund's General Partner may determine.

## **Form ADV - Part 2A**

---

In addition, the General Partner of the Opportunities Fund shall cause the Opportunities Fund to have separate meetings of its Limited Partners once each year at which time its General Partner and the Registrant will review the investment performance of the Fund and be available to respond to any inquiries and comments about the Fund's investment activities and portfolio.

While the Registrant may cause meetings of the Credit Fund's Limited Partners to be held annually, it is under no obligation to do so, and such meetings may not occur.

### **Item 14 Client Referrals and Other Compensation**

No entity or person who is not a client provides an economic benefit to the Registrant or its associated persons for providing investment advice or other advisory services to the Registrant's clients.

The Opportunities Fund engaged Merrill Lynch & Co. to act as placement agent to assist in the private placement of interests (the "Interests") to certain of its clients and charged a placement and related fees to the Registrant (in its capacity as Manager of the Opportunities Fund) in respect of such clients in amounts depending on the size of the investment in the Opportunities Fund. The Offering Memorandum for the Opportunities Fund provided that the prospect of receiving, or the receipt of, compensation by Merrill Lynch & Co. may provide it with an incentive to favor sales of Interests of the (Opportunities] Fund and interests of funds with similar compensation available, over sales of interests of funds (or other fund investments) with respect to which Merrill Lynch & Co. as placement agent does not receive such compensation, or lower levels of such compensation. Prospective investors were cautioned to take such payment arrangements into account when considering and evaluating any recommendations relating to Interests. The offering of Interests issued by the Opportunities Fund concluded on August 3, 2007.

### **Item 15 Custody**

Registrant is deemed to have constructive custody of client funds and securities as a result of its affiliation with the General Partners of the Funds and the collection of management fee payments. Actual custody of client funds and securities is at Bank of America and Pershing LLC, the Funds' prime broker, each of which is a qualified custodian. (Pershing and Bank of America are collectively referred to herein as "Qualified Custodians".) (Pershing LLC succeeded an affiliate of Credit Suisse Securities (USA) LLC as custodian on April 2, 2012.) The Funds other prime broker is Credit Suisse Securities (USA) LLC which introduces the Funds' trades to Pershing LLC for clearance and custody. Pursuant to agreements entered into by the Funds and the each of the Qualified Custodians, the Qualified Custodians send monthly account statements directly to the Funds. Pursuant to an agreement with the Funds, the Funds' Administrator, Northern Trust Hedge Fund Services LLC, also sends monthly statements directly to the Funds. The Funds carefully review and compare all account statements provided to it by the Funds' Qualified Custodians and Administrator.

### **Item 16 Investment Discretion**

The Registrant provides investment advice and related services to pooled investment vehicles and private investment funds, including the Funds, on a discretionary basis. The specific investment strategy and objective of each Fund is set forth in such Fund's Private Placement Memoranda and their respective Amended and Restated Limited Partnership Agreements, the latter of which also set forth the limits of the discretionary authority granted to the Registrant.

Each Fund may impose restrictions on investing in certain securities or types of securities. Currently the Registrant provides advice to Newport Global Opportunities Fund LP (together with any parallel or feeder vehicles, the "Opportunities Fund"), and Newport Global Credit Fund LP (together with any parallel or feeder vehicles, the "Credit Fund"). The Registrant provides portfolio management and administrative services to the Funds, including investigating, structuring and negotiating potential investments, monitoring the performance of portfolio investments and advising the

## Form ADV - Part 2A

---

Funds as to disposition opportunities.

### **Item 17 Voting Client Securities**

The Funds have given the Registrant the authority to vote the Funds' respective securities. In accordance with Rule 206 (4)-6 of the Investment Advisers Act of 1940, the Registrant has adopted Proxy Voting Policies and Procedures to address how the Registrant will vote proxies on behalf of the Funds. The policy is designed to ensure that proxies are voted to achieve maximum value in the best interest of the Funds and the limited partners of the Funds, including when there may be material conflicts in voting proxies. A client may obtain a copy of the Registrant's proxy voting policies and procedures and information about how the Registrant voted proxies by calling the Registrant at 713-559-7400, by directing requests in writing to its place of business, 21 Waterway Avenue, Suite 150, The Woodlands, TX 77380-3098, Attn: Compliance Officer, or by emailing requests to: ComplianceOfficer@ngalp.com.

### **Item 18 Financial Information**

This item is not applicable to the Registrant.

### **Item 19 Requirements for State-Registered Advisers**

The Registrant's principal executive officers and management persons are identified at the last section of Item 4 (Advisory Business).