

**SANDTON CAPITAL PARTNERS, L.P.**  
**PART 2A OF FORM ADV: FIRM BROCHURE**

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**March 29, 2013**

**This brochure provides information about the qualifications and business practices of Sandton Capital Partners, L.P. (“Sandton” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (212) 444-7200. 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 Sandton is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

***Item 2: Material Changes***

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This brochure is an annual update for 2013 per the amended Form ADV 2A instructions, no material changes have been made since the last ADV filing.

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**Item 3: Table of Contents**

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***Item 4: Advisory Business***

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**Item 4.A.**

Sandton Capital Partners, L.P. (“**Sandton**” or the “**Firm**”), a Delaware limited partnership, was founded in June 2010 by Rael Nurick and Thomas Wood.

Rael Nurick and Thomas Wood are the principal owners of Sandton.

**Item 4.B.**

Sandton is a private investment fund manager focused on alternative credit opportunities. Sandton provides its services to privately offered domestic and offshore investment vehicles (the “**Funds**” or as commonly referred to as the advisory clients, or “**clients**”), pursuant to an investment management agreement (“**IMA**”) under which Sandton is granted investment discretion subject to the policies and restrictions imposed by the Investment Management Agreements and Limited Partnership Agreements.

**Item 4.C.**

The Firm’s advisory services to the Funds are provided pursuant to the terms of the relevant offering memorandum and are not tailored to individual investor needs.

**Item 4.D.**

Sandton does not participate in wrap fee programs.

**Item 4.E.**

As of December 31, 2012, Sandton managed approximately \$259,056,672 in regulatory assets under management on a discretionary basis. Sandton does not manage client assets on a non-discretionary basis.

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***Item 5: Fees and Compensation***

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**Item 5.A.**

Sandton’s management fees are provided pursuant to terms in each Fund’s relevant offering memorandum.

Sandton is compensated for its advisory services based on a percentage of its investors’ capital commitment. In general, the fees for the Funds are not negotiable.

The Funds are only offered to “qualified purchasers,” as defined under Regulation D under Section 2(a)(51)(A) of the Investment Company Act of 1940 (the “**Investment Company Act**”), as amended. The Funds qualify under 3(c)(7) exemption from the Investment Company Act.

#### **Item 5.B.**

Pursuant to each limited partner's subscription agreement, the Firm is authorized to deduct management fees from each investor's capital account on a quarterly basis.

#### **Item 5.C.**

The Firm and each general partner is responsible all of its own overhead costs and expenses. The Funds will each bear its own operating costs including, but not limited to, investment expenses (e.g. brokerage commissions, acquisition fees, expenses related to short sales, clearing and settlement charges, loan servicing fees, custodial fees, initial and variation margin, interest expense, third party sourcing, broker subscription fees), professional fees (including, without limitation, expenses of consultants and experts' fees relating to particular investments and retainer fees for sourcing services), travel and other expenses related to investments, entity level taxes, legal expenses, fees of the administrator, internal and external accounting, loan-monitoring and other portfolio tracking software, audit and tax preparation expenses, appraisal and valuation fees, premiums for directors' and officers', errors and omissions and lender liability insurance, the costs and expenses incurred in connection with indebtedness of the Fund and its subsidiaries, including, without limitation, the costs of establishing such other indebtedness, the costs of monitoring compliance therewith (including, without limitation, the costs of purchasing, licensing or developing any computer software used for such purposes), expenses relating to the offer and sale of Interests, including travel, printing and mailing fees, the Management Fees, the Additional Fee (as defined below) and extraordinary expenses.

Notwithstanding the foregoing, to the extent that expenses of the Funds solely relate to the organizational and initial Fund offering expenses (as amortized) as well as audit, administration, legal (excluding any litigation or other extraordinary expenses) and appraisal services, such expenses shall be borne by the Firm (through a reduction of the Management Fee) to the extent that such expenses in the aggregate exceed 1.5% of the commitments of each Fund in any fiscal year.

Affiliates of Sandton may charge the Funds a fee in connection with the management and servicing of certain positions of the Fund's loan portfolio (the "**Additional Fee**"). The Additional Fee is in addition to the Management Fee already payable by each Fund and will be used to facilitate Sandton or its affiliate in engaging personnel and incurring other overhead costs to manage these loans in lieu of hiring an unaffiliated third-party service provider to provide these services. Any Additional Fee payable by the Funds to Sandton or its affiliates is expected to be comparable to a fee that an independent third-party service provider would have charged to a Fund for such services and the profits received by Sandton and its affiliates in connection with the provision of these services will not exceed a specified amount, as outlined in the respective limited partnership agreement.

Sandton, in its discretion, may elect to reduce, waive or calculate differently the Additional Fee with respect to certain Limited Partners, including, without limitation, Limited Partners that are affiliates or employees of Sandton, members of the immediate families of such persons and trusts or other entities for their benefit.

#### **Item 5.D.**

Each limited partner pays Sandton a management fee, in advance, on a quarterly basis commencing on each Fund's specified closing date.

#### **Item 5.E.**

Sandton and its supervised persons do not participate in the sale of securities or other related investment products.

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***Item 6: Performance-Based Fees and Side-by-Side Management***

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A carried interest allocation (equivalent to a performance fee) is paid by each investor in the Funds to the general partner, as outlined in the respective limited partnership agreement.

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***Item 7: Types of Clients***

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Sandton provides investment advice to limited partners and institutional investors via the Funds domiciled in Delaware and the Cayman Islands. Sandton also provided investment advice to closed-end funds special purpose vehicles (the “**Legacy Funds**”). The Legacy Funds are currently winding up. Sandton is not providing any further investment advice to the Legacy Funds.

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

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**Item 8.A.**

The investment objective of Sandton is to generate superior risk-adjusted returns by acquiring a diversified portfolio of special opportunity investments.

Subject to the limitations and risks listed below, Sandton will seek to achieve its investment objective through the following strategies: (i) investments in opportunistic loans and privately negotiated instruments in real estate and corporate entity structures; (ii) direct and indirect investments targeting niche financial asset classes; (iii) investments in performing and non-performing debt instruments; (iv) investments in liquidations, corporate restructurings, in/post bankruptcy equities and litigation; (v) the utilization of various derivative instruments; and (vi) other investment instruments and strategies related to the above-mentioned instruments (“**Portfolio Investments**”).

**Item 8.B and Item 8.C.**

An investment in the Funds entails substantial risks, including but not limited to, these listed below, and a prospective investor should carefully consider the following factors, among others, in determining whether an investment in the relevant Fund is suitable for them.

**General Investment and Trading Risks.** An investment in the Funds involves risks, including the risk that the entire amount invested may be lost. The Fund will invest in Portfolio Investments using investment techniques with risk characteristics, including risks arising from the volatility of the credit markets, the risks of borrowings and short sales, the potential illiquidity of Portfolio Investments and the risk of loss from counterparty defaults. No guarantee or representation is made that the Fund’s investment objective will be achieved. The Fund may utilize such investment techniques as option transactions, margin transactions, short sales, limited diversification and derivatives trading, which practices can, in certain circumstances, increase the adverse impact to which the Fund may be subject.

**Illiquid Portfolio Instruments.** The Funds expect to invest in Portfolio Investments which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such Portfolio Investments tend to be volatile and may not be readily ascertainable, and the Fund may not

be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid Portfolio Investments often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of Portfolio Investments eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted Portfolio Investments may sell at a price lower than similar Portfolio Investments that are not subject to restrictions on resale.

**Investments in Distressed Securities.** The Funds may invest in “below investment grade” securities and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities and obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies’ securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Fund’s investment in any instrument, and a significant portion of the obligations and securities in which the Fund invests may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the general partner will correctly evaluate the value of the assets collateralizing the Fund’s loans or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Fund invests, the Fund may lose its entire investment, may be required to accept cash or securities with a value less than the Fund’s original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Fund’s investments may not compensate the Partners adequately for the risks assumed.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security in respect to which such distribution was made.

Generally, the Funds will not be “hedged” against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

**Bank Loans.** A Fund’s investment program may include investments in bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors’ rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Fund to directly enforce its rights with respect to participations. In analyzing each bank loan or participation, the general partner compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the Fund.

**Overconcentration in Loans and Other Assets Intended to Be Sold to Other Accounts.** The Funds may originate or otherwise acquire loans and other assets with the intention of earning income on them for some period of time and thereafter selling them to other funds managed by Sandton. However, any

such other funds will not be bound to purchase these loans and other assets from such Fund, and will undertake an independent analysis and decision to purchase these loans and other assets. Accordingly, these other funds may reject such Fund's offer to sell the loans and other assets, or may reject the price at which the Fund offers to sell the loans and other assets. Prior to the sale of these loans and other assets to these other funds, or if the Fund and these other funds cannot agree on the terms for a sale of these loans and other assets, and the Fund cannot find another buyer at an acceptable price, the Fund's concentration of these assets may be greater than would otherwise have been optimal.

**Bankruptcy Claims.** The Funds may invest in bankruptcy claims which are amounts owed to creditors of companies in financial difficulty. Bankruptcy claims are illiquid and generally do not pay interest and there can be no guarantee that the debtor will ever be able to satisfy the obligation on the bankruptcy claim. The markets in bankruptcy claims are not generally regulated by federal securities laws or the Securities and Exchange Commission. Because bankruptcy claims are frequently unsecured, holders of such claims may have a lower priority in terms of payment than certain other creditors in a bankruptcy proceeding. In addition, under certain circumstances, payments and distributions may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

**Risks Associated with Bankruptcy Cases.** Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of the Fund. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Fund; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. Although the Fund intends to invest primarily in debt, the debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such when they take over management and functional operating control of a debtor. In those cases where the Fund, by virtue of such action, is found to exercise "domination and control" of a debtor, the Fund may lose its priority if the debtor can demonstrate that its business was adversely impacted or other creditors and equity holders were harmed by the Fund.

The relevant general partner, on behalf of the Funds, may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of the Fund's position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If the general partner concludes that its obligations owed to the other parties as a committee or group member conflict with its duties

owed to the Fund, it will resign from that committee or group, and the Fund may not realize the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if the Fund, as applicable, is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

The Funds may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

**Equitable Subordination.** Under common law principles that in some cases form the basis for lender liability claims, if a lender (a) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called “equitable subordination”). The Fund does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine; however, because of the nature of the debt obligations, the Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

**Contingent Liabilities.** From time to time the Fund may incur contingent liabilities in connection with an investment. For example, the Fund may purchase from a lender a revolving credit facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, the Fund would be obligated to fund the amounts due. The Fund may also enter into agreements pursuant to which it agrees to assume responsibility for default risk presented by a third-party, and may, on the other hand, enter into agreements through which third-parties offer default protection to the Fund.

**Litigation.** Reorganizations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. The general partner anticipates that during the term of the Fund, the relevant general partner, the Fund and perhaps certain of its larger investors may be named as defendants in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Fund and would reduce net assets or could require Limited Partners to return to the Fund distributed capital and earnings.

**Fraud.** Of paramount concern in lending is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Fund to perfect or effectuate a lien on the collateral securing the loan. The Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

**Non-Performing Nature of Debt.** It is anticipated that certain debt instruments purchased by the general partner for the Fund will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to the loans.

**Investing in High Yield Securities.** The Fund may invest in high-yield securities. Such securities are

generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, the Fund invests in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. Investing in high yield debt securities involves risks which are greater than the risks of investing in higher quality debt securities. These risks include: (i) changes in credit status, including weaker overall credit conditions of issuers and risks of default; (ii) industry, market and economic risk; (iii) interest rate fluctuations; and (iv) greater price variability and credit risks of certain high yield securities such as zero coupon and payment-in-kind securities. While these risks provide the opportunity for maximizing return over time, they may result in greater upward and downward movement of the value of the Fund's portfolio. Furthermore, the value of high yield securities may be more susceptible to real or perceived adverse economic, company or industry conditions than is the case for higher quality securities. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Adverse market, credit or economic conditions could make it difficult at certain times to sell certain high yield securities held by the Fund.

**Non-U.S. Investments.** The Funds may invest in securities of non-U.S. corporations and non-U.S. countries. Investing in the securities of companies (and, from time to time, governments) of non-U.S. countries involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. Government, including possible adverse political and economic developments, possible seizure or nationalization of non-U.S. deposits and possible adoption of governmental restrictions that might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. In addition, there may be less publicly available information about issuers in non-U.S. countries which are generally not subject to uniform accounting, auditing and financial reporting standards and other disclosure requirements comparable to those applicable to U.S. issuers. Furthermore, some of the securities may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income received by the Fund from sources within some countries may be reduced by withholding and other taxes imposed by such countries. Any such taxes paid by the Fund will reduce its net income or return from such investments. While the general partner will take these factors into consideration in making investment decisions for the Fund, no assurance can be given that the general partner will be able to fully avoid these risks.

Additional costs could be incurred in connection with the Fund's international investment activities. Non-U.S. brokerage commissions generally are higher than in the United States. Expenses also may be incurred on currency exchanges when the general partner changes investments from one country to another. Increased custodian costs as well as administrative difficulties (such as the applicability of non-U.S. laws to non-U.S. custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in non-U.S. jurisdictions.

**Use of Leverage.** The Funds may borrow money (a) on a short-term basis in order to reduce their need to hold cash or in order to invest in Portfolio Investments, pending the receipt of required Capital Contributions, or (b) upon receipt of Advisory Committee Consent, for other purposes, in an aggregate amount up to 50% of the net asset value of the applicable Fund Entity measured at the time of incurrence. To the extent that a Fund borrows funds, the rates at which it can borrow will affect the operating results of such Fund Entity.

Notwithstanding the foregoing, gross exposure may exceed 100% of the applicable Fund Entity's net asset value as certain Portfolio Investments may be inherently leveraged.

**Valuation.** Portfolio Investments which the general partner believes are fundamentally undervalued or overvalued may not ultimately be valued in the capital markets at prices and/or within the time frame the general partner anticipates. In particular, purchasing Portfolio Investments at prices which the general partner believes to be distressed or below fair value is no guarantee that the price of such Portfolio Investments will not decline even further. The valuations of Portfolio Investments are made in good faith, but may or may not reflect the realizable value of any given position which may be materially lower than the general partner's calculations.

As market dynamics shift over time, what may have been a highly successful valuation model may become outdated or inaccurate. There can be no assurance that the general partner will be successful in maintaining effective valuation models, and the necessity of continuously updating these models demonstrates that Sandton's past successful results may not be representative of such Fund's future performance.

**Uncertain Exit Strategies.** Due to the illiquid nature of many of the positions which the Fund is expected to acquire, as well as the uncertainties of the reorganization and active management process, the general partner is unable to predict with confidence what the exit strategy will ultimately be for any given core position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

**Hedging Transactions.** The Fund may utilize financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) preserve returns, spreads or gains on any investment in the Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date or (vii) for any other reason that the general partner deems appropriate.

The general partner is not required to attempt to hedge portfolio positions in the Fund and, for various reasons, may determine not to do so. Furthermore, the general partner may not anticipate a particular risk so as to hedge against it. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it has not engaged in any such hedging transaction. For a variety of reasons, the general partner may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The success of the hedging strategy of the Fund is subject to the general partner's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy is also subject to the general partner's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties), "liquidity risk" and "widening" risk.

**Trading and Investing Affiliates.** The Fund may effect certain investments through limited partnerships, limited liability companies, corporations or other vehicles sponsored or managed by the general partner, Sandton or third parties. A creditor having a claim that relates to a particular investment held by any such vehicle may be able to satisfy such claim against all assets of such vehicle, without regard to the participation rights of the Fund and other investors of such vehicle in the assets of such vehicle.

**Counterparty Risk.** The loan syndication counterparties with which the Fund may effect transactions typically are not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with loan syndication transactions. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Fund’s internal credit function which evaluates the creditworthiness of their counterparties may prove insufficient. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

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***Item 9: Disciplinary Information***

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There are no material legal or disciplinary events related to the Firm.

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

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**Item 10.A. and Item 10.B.**

Sandton and its management persons are not registered or have an application pending to register as a broker-dealer, a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associate of the foregoing entities.

**Item 10.C.**

Sandton Credit Opportunities I GP, LLC is an affiliate of Sandton and serves as the general partner to the following funds: Sandton Co-Invest Fund I, LP; Sandton Co-Invest Off-Shore I, LP; Sandton Credit Opportunities Fund I, LP; and Sandton Credit Opportunities Off-Shore I, LP.

Sandton Credit Opportunities II GP, LLC is an affiliate of Sandton and serves as the general partner to the following funds: Sandton Credit Opportunities On-Shore Fund II, LP, and Sandton Credit Opportunities Off-Shore II, LP.

The Houghton Fund GP, LLC is an affiliate of Sandton and serves as the general partner to The Houghton Fund, LP.

For the Legacy Funds: The Bryanston Fund Advisors, LLC serves as the general partner for The Bryanston Fund, L.P.; The Greenside Fund Advisors, LLC serves as the general partner of The Greenside Fund, L.P.; The Linksfield Fund Advisors, LLC serve as the general partner for The Linksfield Fund, L.P.; and The Sandown Fund Advisors, LLC serves as the general partner for The Sandown Fund, L.P.

Sandton Capital Advisors, LLC is a general partner of Sandton and serves as the sub-advisor of Corbin Opportunity Fund, L.P.

**Item 10.D.**

Sandton does not recommend other investment advisers for the Funds.

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

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**Item 11.A.**

Sandton has adopted a Code of Ethics (the “**Code**”) under Rule 204A-1 of the Investment Advisers Act of 1940 designed to provide that Sandton employees comply with applicable federal securities laws. The Code addresses, among other things, Sandton’s standard of business conduct, requirements and restrictions relating to personal securities trading, policy regarding political contributions, policy regarding gifts and entertainment and confidentiality. Sandton employees must acknowledge in writing having received and read a copy of the Code. The Code is monitored by Sandton’s Chief Compliance Officer and any exceptions to the Code need prior approval by Sandton’s Chief Compliance Officer.

Please refer to the Code for additional information. Sandton’s Code of Ethics is available to investors and prospective investors upon request.

**Item 11.B. to Item 11.D.**

Sandton and its related persons do not recommend securities in which Sandton or a related person has a material financial interest nor does Sandton engage in principal transactions as defined in the Investment Advisers Act of 1940. Sandton makes investments in accordance with the risk parameters, investment objectives, and guidelines of its Funds.

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***Item 12: Brokerage Practices***

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**Item 12.****A.1.**

Sandton does not currently select or recommend broker-dealers for client transactions. However, if Sandton were to select or recommend broker-dealers for client transactions, Sandton would allocate transactions to broker-dealers for execution on markets/exchanges and at prices and commission rates that in the Firm’s good faith judgment are in the best interest of its clients. Sandton would take into consideration, among other things, available prices, brokerage commission rates, and other relevant factors including, but not limited to, execution, clearance, and settlement and error correction capabilities of the broker or dealer and in connection with securities of the type and in the amounts to be bought or sold; the broker’s or dealer’s willingness to commit capital; reliability and financial stability; the size of the transaction; availability of securities to borrow for short sales; and the market for the security.

Research furnished by brokers may include, but is not limited to: research reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment and other computer hardware for use in running software used in investment decision making; and other products or services that may enhance the Firm’s investment decision making.

Sandton currently does not receive soft dollars; however, it may choose to do so in the future. If the Firm does use soft dollars in the future, it will endeavor to use research and brokerage services that provide lawful and appropriate assistance to Sandton in carrying out its investment decision-making responsibilities, as permitted under the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended.

**A.2 and A.3.**

Sandton does not recommend broker-dealers to its clients.

**Item 12.B.**

In the event that Sandton should purchase securities for more than one Fund, the Firm will aggregate orders to get more favorable prices, lower brokerage commissions or more efficient execution. The Firm's authorized traders will determine the appropriate brokers consistent with the Firm's duty to obtain best execution, except for those accounts with specific brokerage direction (if any).

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***Item 13: Review of Accounts***

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**Item 13.A. and 13.B.**

The Funds and their holdings are reviewed on a regular basis to determine their conformity with their risk parameters, investment objectives, and guidelines.

**Item 13.C.**

Investors in the Funds receive quarterly Schedules of Partners' Capital indicating their capital balances and performance for the quarter within 45 days of each quarter-end. Additionally, U.S. investors are generally issued Schedule K-1's after the close of a fiscal year-end. Audited financial statements are generally provided to investors within 90 days of a financial year-end. The reports discussed above are in written form.

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

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**Item 14.A and B.**

The Firm does not retain third-party marketers or solicitors.

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***Item 15: Custody***

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Client assets are held at a qualified custodian and not at Sandton. The Funds receive monthly account statements directly from the Funds' qualified custodian, and Sandton, as investment adviser to the Funds, carefully reviews those statements.

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**Item 16: Investment Discretion**

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Sandton has full discretion to manage assets on behalf of the Funds. This authority is granted pursuant to an IMA between Sandton and each of the Funds. Individual investors grant authority to the Funds to enter into an IMA with Sandton by signing a subscription agreement.

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**Item 17: Voting Client Securities**

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Sandton is responsible for voting proxies for portfolio securities consistent with the best economic interests of its clients. Sandton understands and appreciates the importance of proxy voting. The Firm will vote all proxies in the best interests of its clients and investors (as applicable) and in accordance with the procedures outlined below (as applicable), unless otherwise mandated by an investment management agreement or applicable law (e.g. ERISA).

- All proxies sent to clients that are received by any employee (to vote on behalf of the clients) are given to the Chief Compliance Officer covering the subject portfolio security.
- Prior to voting any proxies, the Chief Compliance Officer will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not.
- If no material conflict is identified pursuant to these procedures, the lead research analyst covering the subject security will make a decision on how to vote the proxy in question in accordance with the guidelines in put forth below.

Voting Guidelines: In the absence of specific voting guidelines mandated by a particular Fund, Sandton will endeavor to vote proxies in the best interests of each client.

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**Item 18: Financial Information**

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**Item 18.A.**

Sandton does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

**Item 18.B.**

There are no conditions that impair Sandton's ability to meet its contractual and fiduciary commitments to its clients.

**Item 18.C.**

The Firm has not been subject to a bankruptcy petition, past or pending.

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***Item 19: Requirements for State Registered Advisers***

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Not Applicable.