

SPP CREDIT ADVISORS, I LLC

550 Fifth Avenue, 12th Floor
New York, New York 10036

Telephone: (212) 455-4500

FORM ADV PART 2

December 31, 2021

This brochure provides information about the qualifications and business practices of SPP Credit Advisors, LLC. If you have any questions about the contents of this brochure, please contact Amy Lazarus (212-455-4515) or alazarus@sppcapital.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 and references in this brochure to SPP Credit Advisors, LLC as a registered investment Advisor does not imply a certain level of skill or training.

Additional information about SPP Credit Advisors, LLC also is available on the SEC's website at [www.Advisor](http://www.Advisor.info.sec.go) info.sec.go

Item 2. Material Changes

The purpose of this page is to inform you of any material change since our initial ADV filings which were effective June 14, 2021. Except for the item listed below, the business practices of SPP Credit Advisors, LLC (are substantially the same as represented in its initial filing.

- On August 20, 2021, SPP JV OPCO I LLC changed its legal name to SPP Credit Advisors, LLC.
- SPP Credit Advisors, LLC (the “Advisor”) is now deemed to have custody over certain of its Clients’ assets. Such assets are held at a qualified custodian that provides quarterly statements to the Other Clients. In addition, the Advisor is subject to a surprise exam to confirm compliance with rule 206(4)-2(a) under the Investment Advisors Act of 1940.

Item 3. Table of Contents

	<u>Page</u>
Item 2. Material Changes.....	ii
Item 3. Table of Contents	iii
Item 4. Advisory Business.....	1
Structure; History and Ownership	1
Types of Advisory Services.....	1
Assets Under Management	1
Item 5. Fees and Compensation.....	2
Fees	2
Expenses	2
Item 6. Performance-Based Fees and Side-by-Side Management	2
Item 7. Types of Clients	2
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	2
Methods of Analysis and Investment Strategies.....	2
Risks Associated with the Advisor’s Investment Strategy	3
Item 9. Disciplinary Information.....	5
Item 10. Other Financial Industry Activities and Affiliations.....	5
Material Financial Industry Affiliations of the Firm	5
Conflicts of Interest	5
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	6
Code of Ethics	6
Interested Transactions	6
Allocation of Investment Opportunities	6
Item 12. Brokerage Practices	7
Item 13. Review of Accounts	7
Item 14. Client Referrals and Other Compensation	7
Item 15. Custody.....	8
Item 16. Investment Discretion	8
Item 17. Voting Client Securities	8
Item 18. Financial Information.....	8

Item 4. Advisory Business

Structure; History and Ownership

The Advisor, a Delaware limited liability company commenced operations in March 2021. Its principal place of business is New York, NY. The Advisor is wholly owned by its member, SPP JV Holdco, LLC (“JV Holdco”), a Delaware limited liability company. JV Holdco is owned by SPP Holdings, LLC (“SPP Holdings”), SPP Principal Investors II, LLC (“SPP Principal”), Confluence LLC, (“Confluence”) and PACA-SPP LLC (“PACA”). PACA is owned by Advantage Capital Holdings LLC. Kenneth King is the controlling member of Advantage Capital Holdings, LLC.

The Advisor has entered into a Management Services Agreement with SPP Capital Partners, LLC (“SPP Capital”), an affiliate of the Advisor, pursuant to which SPP Capital will provide consulting, management and advisory services for the Advisor as the Advisor requires to perform its services to its clients.

The Advisor has an investment committee made up of up to five individuals appointed by PACA, Confluence and SPP Principal.

Types of Advisory Services

The Advisor has been engaged as a sub-advisor by Advantage Capital Management LLC (“ACAP”) to provide non-discretionary investment advisory services intended for institutional and other sophisticated investors.

The Advisor provides continuous advisory services to the Fund, as described in more detail below, with respect to privately negotiated debt investments in lower middle market companies. The investment objective of the Advisor is to seek attractive risk-adjusted returns for its clients by generating interest income from debt investments exceeding the cost of capital. The Advisor’s focus is to invest in companies with enterprise values between \$50 million and \$300 million, and with EBITDA between \$5 million and \$20 million. The size of each investment will range from \$10 million to \$30 million, but, on an opportunistic basis, the Advisor may exceed this range.

The Advisor’s services include:

1. Identification, evaluation and assessment of potential investments;
2. Performance of due diligence of any potential investment;
3. Negotiation of the terms and execution of the purchase of any investment;
4. Monitor and administer performance of investments owned by the Fund or Other Clients.

Assets Under Management

As of December 31, 2021, the Advisor managed a total of \$ 90,850,937 of investments in negotiated private debt and cash. All are managed on a discretionary basis.

Item 5. Fees and Compensation

Fees

The Advisor charges fees based upon the value of the assets in the applicable accounts, the general performance of the accounts and particular characteristics of certain assets in the applicable accounts [(e.g., fees related to original issue discount with respect to certain notes)].

Fees will be negotiated with ACAP and reflected in the sub-advisory agreement between the Advisor and ACAP. Whether fees are deducted from account assets, invoiced directly to the Fund and/or the Other Clients, or invoiced to the Advisor will be as agreed between the Advisor and ACAP.

The Advisor does not have a set fee schedule, as all fees are negotiated.

There are no additional fees paid in direct connection with the Advisor's services.

Fees based upon characteristics of certain assets recommended by the Advisor, such as a fee based upon original issue discount on notes acquired by the Fund or the Other Clients, create a conflict of interest for the Advisor as the Advisor will have an incentive to recommend investments with characteristics that will lead to higher fees for the Advisor but may be less profitable for the Fund or Other Clients. This issue is addressed by the Advisor's Code of Ethics (the "Code") that obligates the Advisor and its related persons to put the interests of the Advisor's clients (the "Clients") before their own interests when providing services to the Clients and to act honestly and fairly in all respects in their dealings with the Clients.

Expenses

In addition to management fees, the Fund will pay the accounting fees, costs, and expenses of the Fund, including without limitation, the annual audit, administration services, and tax preparation.

Item 6. Performance-Based Fees and Side-by-Side Management

As discussed in Item 5, the Advisor will be paid performance-based fees by or with respect to the Fund and the Other Clients. The Advisor does not currently have any clients that do not pay performance-based fees, and there the Advisor does not have an incentive to favor accounts that pay performance fees.

Item 7. Types of Clients

The Advisor's Clients include a private fund ("the Fund") and insurance companies (the "Other Clients") The Advisor does not contemplate offering its services to retail investors.

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

Methods of Analysis and Investment Strategies

The Advisor employs an investment approach based on fundamental credit analysis. The Advisor identifies investment opportunities in the markets through established industry networks.

In evaluating potential investments, the Advisor may consider, among other factors, any of the following: industry dynamics, competitive environments, performance history and prospects, quality of ownership and sponsorship, quality of management, free cash flow, projected cash flow, quality and value of underlying collateral, downside protection and relative value opportunities within a borrower's capital structure and the market. As part of the research process for certain investments, the Advisor may, in its discretion, utilize third-party firms to conduct accounting, tax, valuation, legal, environmental and/or other due diligence.

The Advisor's investments generally originate from the following sources:

1. SPP Capital's proprietary database and network of borrowers and intermediaries;
2. Private equity sponsors;
3. Lending institutions, including agent and investment banks; and
4. Financial intermediaries.

Potential investments undergo a detailed review by the Advisor, which includes consideration of the following factors:

1. Competitive strengths/weaknesses of the borrower;
2. Purpose of the loan/use of funds;
3. Financial performance (historical and projected) of the borrower;
4. Overall business of the borrower, including products, services, management, sponsor, industry, and competition;
5. Enterprise and collateral value;
6. Transaction and corporate structure;
7. Exit alternatives; and
8. Any other identified weaknesses/risks and potential mitigating factors.

Risks Associated with the Advisor's Investment Strategy

General

All securities investments risk the loss of capital, which clients should be prepared to bear. The nature of the securities recommended by the Advisor may increase this risk.

Illiquidity

The Advisor is authorized to provide investment advisory for lower middle market loans (the "Notes"). The Notes are negotiated private placements and, as such will be illiquid and have no, or only a limited, resale value. Investment in illiquid Notes may be restrictive in the ability to dispose of investments in a timely fashion and for a fair price and may result in the inability to pursue other favorable investment opportunities. Because of the unique and customized nature of most loan agreements, loans cannot be sold as easily as publicly traded securities and may or may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale.

Significant Credit Risk

Middle market notes are generally issued by smaller, less creditworthy companies than investment grade issuers. The Notes typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. In addition, the Notes will generally be unsecured and subordinated to the claims of more senior creditors.

Available Information and Fraud

The Advisor selects Notes for the Fund in part on the basis of information and data made directly available to the Advisor by the issuers, or through sources other than the issuers. Although the Advisor evaluates all such information and seeks independent corroboration when appropriate and reasonably available, the Advisor is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases complete and accurate information is not readily available.

Of paramount concern in originating the Notes is the possibility of material misrepresentation or omission on the part of the Note issuer. Such inaccuracy or incompleteness may adversely affect the value of the Notes. The Advisor will perform due diligence on the borrowers but will also rely upon the accuracy and completeness of certain representations made by borrowers to the extent reasonable.

Economic Conditions

Changes in economic conditions, including changes in interest rates, inflation rates, industry conditions, government regulation, competition, technological developments, political events and trends, tax laws and many other factors can affect substantially and adversely the business and prospects of the issuer of the Notes. None of these conditions is not within the control of the Advisor

Investments in Middle-Market Companies.

The Notes originated by the Advisor are issued by lower middle market companies. Most of these companies will be private. Investment in these companies involves a number of significant risks including:

- limited financial resources, inability to meet their obligations under their debt securities;
- shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- dependence on the management talents and efforts of a small group of persons, which means that the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on a company and, in turn, on the Notes;
- little public information making it difficult to make a fully informed investment decision.

Subordinated Loans

Many of the Notes purchased by the Fund will be subordinated loans, which will entail risks, including (i) the subordination of claims to a senior-lien in terms of the coverage and recovery of the collateral, (ii) the prohibition of or limitation on the right to foreclose or exercise other rights, and (iii) the inability to make certain decisions with respect to the obligor pursuant to any inter-creditor or similar arrangement with the first-lien lender. Accordingly, in certain cases, no recovery may be available from a defaulted subordinated loan. The level of risk associated with investments in subordinated loans increases to the extent such investments are loans of distressed or below investment grade issuers, which is likely.

Nonperformance

The Notes purchased by the Fund may become non-performing for a variety of reasons. Such non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write down of the principal amount of the loan and/or the deferral of payments. In addition, such negotiations or restructuring may be extensive and protracted over time and, therefore, may result in substantial uncertainty regarding the ultimate recovery. The Fund may also incur additional expenses to the extent they are required to seek recovery upon a default on a loan or participate in the restructuring of such obligations.

Limited Diversification

The Advisor is focused on a specific segment of the capital markets and are expected to offer only a limited number of investments, and as a consequence, the aggregate return on the Fund's investments may be adversely affected by the unfavorable performance of even a single investment.

Item 9. Disciplinary Information

There is no disciplinary history to report.

Item 10. Other Financial Industry Activities and Affiliations

Material Financial Industry Affiliations of the Firm

Four of the members of the Advisor's investment committee, and the Advisor's chief compliance officer, are officers of SPP Capital and are registered with FINRA as associated with SPP Capital. As described in Item 4 above, SPP Capital provides services to the Advisor for which it is entitled to fees. SPP Capital is 100% owned by SPP Holdings, which is an indirect owner of the Advisor.

One of the two Managers of the Advisor is associated with ACAP, which is an investment Advisor registered with the SEC. The Advisor will act a non-discretionary sub-Advisor to ACAP with respect to the Fund and the Other Accounts.

As indicated above, four members of the Advisor's investment committee, the representative acting on behalf of one of the Managers of the Advisor, and the Chief Compliance Officer of the Advisor are associated with SPP Capital. SPP Capital provides the Advisor with management services for which it is paid a fee.

Conflicts of Interest

There may be a situation in which the Advisor is recommending Notes to a Client and SPP is representing the same issuer with respect to a different form of capital. SPP Capital is compensated by success fees upon closing which may be tied to the closing of the Notes being recommended to the Client. As a result, certain recommendations of the Advisor to a Client may cause SPP Capital to receive a fee, which represents a conflict of interest for the Advisor. In the event that SPP Capital is engaged in a transaction for an issuer of a recommended investment, the Advisor will disclose such arrangement to ACAP prior to a final approval by the ACAP..

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

Code of Ethics

The Advisor's Code of Ethics that obligates the Advisor and its related persons to put the interests of the Advisor's Clients before their own interests when providing services to the Clients and to act honestly and fairly in all respects in their dealings with the Clients. All of the Advisor's personnel are also required to comply with applicable federal securities laws. For a copy of the Code, Clients and prospective clients may contact Amy Lazarus (212-455-4515) alazarus@sppcapital.com.

The Advisor, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers of securities, including issuers in which the Advisor or its related persons have invested or seek to invest on behalf of a Client. The Advisor is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, including the Clients. The Advisor maintains written policies and procedures designed to prohibit the communication of such information to persons who do not have a legitimate need to know such information and to otherwise ensure that the Advisor is acting in compliance with applicable law. In certain circumstances, the Advisor may possess certain confidential or material nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security. The Advisor and its personnel are prohibited from communicating such information with respect to the Clients or using such information for the Clients' benefit.

Interested Transactions

To the extent that the Advisor or its related persons has a financial interest in the same securities that the Advisor or a related person recommends to a Client, such practices present a conflict in which the Advisor's or its related person's objectivity may be impacted. Decisions made by the Advisor or its related person may adversely impact the Client to the benefit of the Advisor or the related person.

The Advisor has adopted the following procedures in an effort to minimize such conflicts: the Advisor requires its related persons to preclear certain transactions with the Chief Compliance Officer, who may deny permission to execute the transaction if the Chief Compliance Officer believes such transaction will have a material negative impact on the Client. Related persons are prohibited from purchasing securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Advisor's related persons are also required to provide a quarterly certification of personal securities transactions, as well as initial and annual holdings reports. Trading in employee accounts will be reviewed by the Chief Compliance Officer or her delegate and compared with transactions for the Client accounts and reviewed against the restricted securities list. In addition, the Advisor will not permit the recommendation of securities to a Client if any securities owned by the Advisor or related parties could cause a material conflict with the objectives of the Client. The Advisor maintains written policies that prohibit the recommendation by the Advisor to a Client of any securities owned by the Advisor or its related persons. However, Advisor's related persons may participate in securities sold to Clients with approval of the Client and the Investment Committee.

Allocation of Investment Opportunities

The Advisor may advise multiple clients with similar investment strategies. If an investment opportunity is appropriate for more than one Client, the Advisor determines, in its sole discretion, which Clients participate in the investment opportunity and to what extent. This could result in a Client receiving no allocation of a particular investment or receiving an allocation of an investment which is less than it would otherwise have received if the Advisor did not have multiple Clients.

In the event the Advisor determines that more than one Client should purchase or sell the same debt obligations simultaneously, the Advisor anticipates that such aggregate purchases or sales will be allocated in a manner believed by the Advisor in its discretion to be equitable to each purchaser or seller and intended to ensure, to the extent possible, that all of the Advisor's clients or accounts receive equitable treatment. It is possible, due to differing investment objectives or other reasons, that the Advisor may purchase debt obligations of an issuer for one client or account and sell such debt obligations for another client or account.

The Advisor has policies and procedures, to be followed when applicable, designed to allocate investment opportunities to Clients in a manner it deems to be fair and equitable taken as a whole (including, a complete opt out of an allocation) over time, consistent with the Client's investment strategy, guidelines, and objectives. Accordingly, the Advisor weighs factors it deems relevant when determining which Client portfolios receive particular investment allocations and to what extent. Such factors include, among others, investment objectives, target returns/yields, risk tolerance, investment guidelines, limitations and restrictions, market conditions, internal investment policies, expected duration of the investment, maturity constraints, cash positions or needs, existing and target issuer and industry exposures, issue size, tax gains/losses and any other factor deemed relevant by the Advisor in good faith. There is no assurance that any or all of these factors will be considered when making allocation decisions. The Advisor weighs any of these factors and other factors deemed relevant differently for each Client and therefore it should be expected that Client portfolios will hold differing proportional amounts of the same investment. Accordingly, it is possible that each and every Client will not receive an allocation of each and every investment opportunity. As such, the Advisor's policy affords it substantial discretion in allocating investment opportunities and the exercise of such discretion will affect Client performance. It is likely that Clients will participate in the gains or losses realized by other Clients with similar investment objectives, and it is unlikely that all Client portfolios will hold the same positions or will perform similarly, even when Clients share the same investment strategy and/or investment objective.

Item 12. Brokerage Practices

The nature of the Advisor's business does not expose the client to conflicts of interest with regard to brokerage practices. The Advisor's strategy is limited to the private credit markets where broker placement fees or costs are for the account of the issuers of the Notes.

Item 13. Review of Accounts

The members of the Advisor's investment committee meet on a quarterly basis to review and monitor the Clients' investment portfolios to determine whether current market conditions require a change to the investment parameters targeted for the Clients. The Advisor's review may consider specific securities held, adherence to investment guidelines and the Clients' performance. A summary of the review will be signed by the Managers.

Item 14. Client Referrals and Other Compensation

The Advisor does not receive an economic benefit from anyone who is not a client in connection with the Advisor's investment advice to its Clients. The Advisor does not compensate any person who is not a supervised person of the Advisor for client referrals.

Item 15. Custody

The Advisor or a related person may be deemed to have custody of the assets of the Fund. The Fund provides audited financial statements to investors within 120 days of the fiscal year end and, therefore, the Fund investors do not receive brokerage statements from a qualified custodian.

The Advisor has custody over certain of its Other Clients' assets. Such assets are held at a qualified custodian that provides quarterly statements to the Other Clients. In addition, the Advisor is subject to a surprise exam to confirm compliance with rule 206(4)-2(a) under the Investment Advisors Act of 1940.

Item 16. Investment Discretion

The Advisor may provide investment advisory services on a discretionary or non-discretionary basis to its Clients. The Advisor enters into an investment management agreement with each Client or with ACAP which sets forth the scope of the Advisor's discretion.

Item 17. Voting Client Securities

The Advisor will typically represent Clients with respect to consents to waivers or amendments to credit agreements. When evaluating such requests, the Advisor acts in a manner designed to serve the best economic interests of its Clients or avoid negative impact on such Clients, as determined by the Advisor in its reasonable discretion. Factors that are included in the Advisor's analysis may include the impact on the value of the Client's investments, anticipated costs and benefits, amendment fees, standard industry and business practices, and potential conflicts of interest.

Item 18. Financial Information

The Advisor does not charge any fees six months or more in advance.

The Advisor is not aware of any financial condition that is likely to impair its ability to meet its contractual commitments to the Clients.

The Advisor has never been the subject of a bankruptcy petition.