

## **Firm Brochure**

(Part 2A of Form ADV)

**SKYVIEW Investment Advisors, LLC**

**595 Shrewsbury Avenue, Suite 203**

**Shrewsbury, NJ 07702**

**(732) 936-2880 Phone**

**dcampbell@SKYVIEWadv.com**

This Brochure provides information about the qualifications and business practices of SKYVIEW Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact Steven Turi, Managing Partner or Damon Campbell, Investor Relations. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"), or by any state securities authority.

Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for the firm is 156092.

March 23, 2012

## **Item 2                      Material Changes**

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The SEC adopted “Amendments to Form ADV” in July 2010. This Part 2A of Form ADV (“Firm Brochure”), dated March 23, 2012, is our most current document prepared in accordance to the SEC’s new rule requirements and rules. As you will see, this document is narrative format. Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Firm Brochures within 120 days of the close of our business’ fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

### **Summary of Material Changes**

SKYVIEW Investment Advisors, LLC (“SKYVIEW” or the “Firm”) last updated its Firm Brochure on May 15, 2011. SKYVIEW continues to be the lead sub-adviser to a Mutual Fund and the adviser to a Fund of Hedge Funds. Frank R. Casey no longer serves as a Managing Director and no longer owns interest in the Firm. Damon Campbell has become a Member with minority ownership interest in the Firm.

SKYVIEW has made no other material changes to structure, personnel, or operations.

The date of this brochure (March 23, 2012) serves as the Firm’s Annual Update Amendment Brochure.

If you would like to receive a copy of our Firm Brochure, please contact us by telephone at (732) 936-2883 or by email at: [dcampbell@SKYVIEWadv.com](mailto:dcampbell@SKYVIEWadv.com).

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## Item 4                      Advisory Business

### A. FIRM DESCRIPTION

SkyView Investment Advisors, LLC (“SKYVIEW” or the “Firm”) is an investment management firm that is registered with the U.S. Securities Exchange Commission (“SEC”) as an investment adviser. It was founded on September 16, 2009 in the State of New Jersey. SKYVIEW was founded by a group of experienced investment professionals with extensive financial industry backgrounds. The Firm seeks to leverage its principals’ significant experience, relationships, and internal resources to provide clients with alternative investment management and advisory services.

SKYVIEW’s current advisory activities include providing lead sub-advisory services to a mutual fund that is registered under the Investment Company Act of 1940. SKYVIEW also offers investment supervisory services to a customized fund of hedge funds.

**Principal Owners:** Steven J. Turi, Andrew J. Melnick, Hilde J. Hovnanian, Lawrence P. Chiarello and Damon Campbell are the principal owners that own 100% of the Firm.

The principal owners’ respective ownership and control in SKYVIEW are detailed in the following table.

| Name                  | Title                                    | Date Title Acquired | Ownership Level       | Control Person |
|-----------------------|--|---------------------|-----------------------|----------------|
| Steven J. Turi        | Managing Member/Chief Investment Officer | 01/2010             | 25% but less than 50% | Yes            |
| Andrew J. Melnick     | Managing Member/Chief Compliance Officer | 01/2010             | 25% but less than 50% | Yes            |
| Lawrence P. Chiarello | Member                                   | 01/2010             | 10% but less than 25% | Yes            |
| Hilde N. Hovnanian    | Member                                   | 01/2010             | 10% but less than 25% | Yes            |
| Damon Campbell        | Member                                   | 01/2012             | Less than 5%          | No             |

### B. TYPES OF ADVISORY SERVICES

#### 1. Lead Sub-Adviser to the Mutual Fund

SKYVIEW serves as the lead sub-adviser to a series of shares, which represents interests in the Orinda Multi-Manager hedged Equity Fund (the “Mutual Fund”). The Mutual Fund’s objective is to achieve long-term capital appreciation.

Regarding sub-advisory services that SKYVIEW provides for Mutual Fund, the Firm functions as the Lead Sub-Adviser. In that role, the Firm is responsible for assisting the Investment Manager of the Mutual Fund in overseeing investment of the Fund's securities portfolios, subject to review and approval by the Mutual Fund's Board of Trustees (the "Board"). SKYVIEW in conjunction with the lead Adviser is responsible for: (i) setting the Mutual Fund's overall investment strategies; (ii) evaluating and recommending other Sub-Advisers; (iii) when appropriate, allocating and reallocating the Mutual Fund's assets among the Sub-Advisers; (iv) monitoring and evaluating the performance of the Sub-Advisers, including their compliance with the investment objectives, policies and restrictions of the Mutual Fund; and, (v) implementing procedures to ensure that the Sub-Advisers comply with the Mutual Fund's investment objectives, policies and restrictions. In addition, SKYVIEW provides overlay strategies intended to help manage the portfolio's overall risk characteristics to be in accordance with achieving the Fund's objectives as set by the Mutual Fund's Investment Manager and Adviser and its Board.

SKYVIEW will allocate to each Sub-Adviser a portion of the Mutual Fund's assets to invest. The Sub-Advisers will invest in the securities based upon their belief that the securities have strong appreciation potential or potential to decline in value. Each Sub-Adviser has discretion to invest its portion of the Mutual Fund's assets as it deems appropriate, based on its particular philosophy, style, strategies and views. Each Sub-Adviser is subject to the oversight of SKYVIEW. However, SKYVIEW will not attempt to coordinate or manage the day-to-day investment of the Sub-Advisers.

SKYVIEW directly invest a portion of the Mutual Fund's assets. These investments will typically be made in ETFs, futures, and options.

## **2. Adviser to the Fund of Hedge Funds ("Fund of Funds")**

SKYVIEW provides investment management services to Sky View Long/Short Equity Fund LLC, a Delaware limited liability company (the "Sky View Fund"). The Fund operates as a multi-manager "fund of hedge funds" and intends to invest in other pooled investment vehicles (each such vehicle, a "Portfolio Fund") managed by other professional investment managers (each such manager, a Money Manager").

**SKYVIEW provides investment management services to the Sky View Fund based on the investment objectives of the Sky View Fund.** The investment objective of the Sky View Fund is to generate capital appreciation primarily by investing with a diverse, yet select, group of hedge fund managers implementing a long/short directional equity trading strategy in the U.S. and international securities markets.

**This document is not an offer to sell or a solicitation of an offer to buy Interests in the Fund.** Such an investment may be made only after receipt and review of the Fund's Confidential Private Placement Memorandum (the "Memorandum") and execution of certain agreements. The Memorandum contains important information concerning risk factors and other material aspects of the Fund and it must be read carefully before making an investment decision. The information in this document is qualified in its entirety by, and should be read in conjunction with, the information contained in the Memorandum. A copy of the

Memorandum is available upon request to SKYVIEW by persons meeting the definitions of both accredited investor and qualified client.

### **Money Managers**

Sky View Fund's assets will be allocated among a relatively concentrated group of money managers who are not affiliated with SKYVIEW. SKYVIEW believes that allocating the Sky View Fund's assets among several Portfolio Funds will enable investors to mitigate (but not necessarily eliminate) certain of the attendant economic and structural risks of investing with a single manager. In selecting the Portfolio Funds, SKYVIEW will focus (among other criteria) on the experience of the decision makers at each fund, the track record (both the returns and the risk taken to achieve those returns), the investment methodology/techniques, any unique capabilities of a fund or niche market, and the operations and administrative capabilities. SKYVIEW will then attempt to balance the potential returns and risk of each Portfolio Fund both as stand-alone investments and as components of the Funds' overall portfolio.

The Money Managers selected by SKYVIEW may, in turn, allocate their assets to other Money Managers. The selection and allocation of assets among Money Managers will be in the sole and exclusive discretion of SKYVIEW.

Although SKYVIEW will seek to select only Money Managers who will invest the Sky View Fund's assets with the highest level of integrity and perform its due, SKYVIEW will have no control over the day-to-day operations of any of its selected Money Managers. SKYVIEW would not necessarily be aware of certain activities at the underlying Money Manager level, including without limitation the Money Manager's engaging in unreported risks, investment "style drift" or even fraud. As a result, there can be no assurance that Money Managers engaged by Sky View Fund will conform their conduct in a manner that is consistent with SKYVIEW's expectations.

The Money Managers will be granted discretionary trading authority to provide investment supervisory services for that portion of the Sky View Fund's portfolios allocated to that particular Money Manager. SKYVIEW at all times retains the authority to terminate the relationship with the Money Managers or to add a new Money Manager. SKYVIEW's role will be to monitor the overall financial situation of the Sky View Fund, and to monitor the investment approach and performance of the Money Manager.

The Money Managers will trade independently of one another. There can be no assurance that the trading strategies employed by a Money Manager will be successful.

### **C. TAILORED RELATIONSHIPS**

SKYVIEW provides investment advisory services to institutional investors, which include the Fund of Funds and the Mutual Fund (collectively the "Funds") based on the investment objectives of the Funds. **SKYVIEW does not provide tailored investment advice to the Limited Partners in the Sky View Fund. SKYVIEW does not provide tailored investment advice to the Shareholders in the Mutual Fund.**

#### **D. WRAP FEE PROGRAM**

SKYVIEW does not participate in and does not sponsor any wrap fee program(s).

#### **E. ASSETS UNDER MANAGEMENT**

SKYVIEW manages approximately \$105,000,00 in assets; \$25,000,000 are managed on a discretionary basis and \$75,000,000 are managed on a non-discretionary basis. This Asset Under Management figure is based on calculations as of December 31, 2011.

## **Item 5 Fees and Compensation**

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### **A. DESCRIPTION**

#### **1. The Mutual Fund**

SKYVIEW will assess a monthly management fee ("Management Fee") for providing lead sub-advisory services to the registered investment company (the "Mutual Fund"). The Management Fee is based on a percentage of assets under management. The Management Fee is equal to 1.55%. SKYVIEW will be responsible for paying a portion of that percentage to additional sub-advisers selected for the multi-manager Mutual Fund.

#### **2. The Fund of Funds**

SKYVIEW earns its fees and compensation by providing advice and investment management services to the Fund. The compensation will be in the form of Management Fees (the "Management Fee") and Incentive Allocation Fees (the "Incentive Allocation"), and assessed as follows:

##### **a) Management Fees**

The Management Fee is paid monthly in advance to SKYVIEW. The Management Fee is equal to one twelfth (1/12) of 0.75% (annualized) of the beginning Capital Account balance of each Limited Partner for such month.

The Firm may, in its sole discretion, waive all or any portion of the Management Fee. Fees are generally negotiable.

##### **b) Incentive Allocation**

SKYVIEW receives an incentive allocation in an amount equal to 5% of net profits, if any, subject to a Hurdle Amount in excess of the 30-day U.S. Treasury Bill Rate; provided, however, that such Incentive Allocation shall be subject to a loss carry-forward provision, also known as a "High Water Mark," so that no Incentive Allocation will be deducted from any Capital Account until prior losses allocated to a client have been recouped. Incentive Allocations, if earned, may be made at each fiscal year end.

With respect to investment management services provided by SKYVIEW to its separate accounts clients, fees paid to SKYVIEW may also be based on a variable scale according to the total value of assets under management. Such fees generally



range from between fifty (.50%) basis points and one hundred basis points (1.00%). Such investment management services may include assisting clients in achieving and maintaining desired asset allocation. The investment supervisory agreements for separate accounts may generally be terminated by either party on 90 days' prior written notice.

SKYVIEW may also provide advisory consultation services to institutional clients at an hourly rate of up to \$500 per hour or project fees.. These fees are negotiable and will vary depending on the scope of the project and the time and resources required.

## **B. BILLING**

The advisory fees are generally payable in advance on a monthly basis and in accordance with the terms agreed upon by SKYVIEW and each respective Fund. Please refer to the Memorandum or Prospectus of each Fund for complete information on the timing of advisory fee payments.

## **C. OTHER FEES AND PAYMENTS**

In addition to the advisory fees payable to SKYVIEW, investors in the Sky View Fund may incur certain third party charges and expenses that are imposed by the Sky View Fund. These additional charges are typically set forth in the Sky View Fund's Memorandum may include, but are not limited to: legal fees, accounting fees, printing costs and out-of-pocket expenses incurred by the Firm or its affiliates; operating expenses; services provided by SKYVIEW's vendors including administration and reporting, custodial, risk management, technology, performance, research, operational and compliance, placement and other related services. These fees are in addition to the Sky View Fund's management fee and incentive allocation. The Sky View Fund's Limited Partners will bear a pro rata portion of these fees and expenses.

## **D. REFUND AND TERMINATION POLICY**

### **1. The Mutual Fund**

The Board of the Mutual Fund may terminate the management agreement with SKYVIEW without prior notice.

### **2. The Fund of Funds**

Limited Partners of the Fund must make a written withdrawal request at least seventy-five (75) days prior to the last business of each calendar quarter. The request may be made by completing a Fund's withdrawal request form. The request must state how the withdrawal proceeds are to be paid. The withdrawal request should generally be faxed to the Fund and the Administrator as indicated in the Fund's Memorandum, with the original form following by mail. Any withdrawal proceeds paid to an Investor will be paid to the same account from which such Investor's Initial Contribution in the Fund was originally remitted, unless the Manager, in its discretion, agrees otherwise. Nonetheless, Limited Partners are subject to the Fund's "lock-up" provision which precludes Limited Partners from withdrawing any portion of its Capital Account for at least one year from the date of the applicable Capital Contribution.

In event of termination of a Limited Partner's interest in the Fund, unpaid Management Fees will be allocated and Performance Fees will be assessed in accordance with the Fund's Limited Partnership Agreement.

#### **E. OTHER COMPENSATION**

Neither the Firm nor its principals accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

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#### **A. PERFORMANCE-BASED FEES ("INCENTIVE ALLOCATION")**

**The Fund of Funds:** As the adviser to the Sky View Fund, SKYVIEW will receive fees that are based on performance in the form of an "Incentive Allocation."

As noted in Item 5, SKYVIEW receives an annual incentive allocation in an amount equal to 5% of net profits, if any, subject to a Hurdle Amount in excess of the 30-day U.S. Treasury Bill Rate; provided, however, that such Incentive Allocation shall be subject to a loss carry-forward provision, also known as a "High Water Mark," so that no Incentive Allocation will be deducted from any Capital Account until prior losses allocated to a client have been recouped. Incentive Allocations, if earned, may be made at each fiscal year end.

The existence of the Incentive Allocation may create an incentive for the Firm to make investments on behalf of the Fund that are riskier or more speculative than would be the case in the absence of such allocation.

#### **B. SIDE-BY-SIDE MANAGEMENT**

SKYVIEW does not conduct side-by-side management of dissimilar advisory accounts.

## **Item 7 Types of Clients**

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#### **A. TYPES OF CLIENTS**

SKYVIEW provides investment advisory services to institutional clients, which include the Fund of Funds and the Mutual Fund (collectively the "Funds").

#### **B. CONDITIONS FOR MANAGING ACCOUNTS**

##### **1. Mutual Fund**

The Mutual Fund requires the following minimum initial investments: (a) \$5,000 minimum for Class A and C shares; and (b) \$500,000 minimum for Class I shares.

## **2. Fund of Funds**

SKYVIEW generally requires Limited Partners in the Fund to commit \$2,000,000 as a minimum initial investment. SKYVIEW reserves the right to reduce the minimum initial capital contribution and to accept subscriptions for lesser amounts.

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

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## **A. METHODS OF ANALYSIS**

SKYVIEW may use a variety of resources to form an investment idea or strategy; however it relies primarily on subjective qualitative analysis of the underlying managers' strategy and performance potential, risk exposures and controls, management experience and capabilities. Such qualitative analysis is supported by sophisticated analytical tools and processes intended to help produce better investment decisions. These analytical and quantitative tools aid in evaluating a manager's performance and risk exposures, construction of multi-manager portfolios, and portfolio performance analysis.

SKYVIEW's securities analysis method involves performing all the due diligence on managers chosen to be included in the fund of funds, and the sub-advisers for the mutual fund. SKYVIEW employs a careful and diligent process in the identification of suitable managers and sub-advisers. We screen each money manager and sub-adviser for measurable characteristics, like team stability, process and style consistency, portfolio risk profiles, and performance. We also draw on our experience to make more qualitative but equally important assessments of an organization's business and management skills.

SKYVIEW incorporates a wide range of qualitative and quantitative factors when evaluating potential Money Managers and Sub-Advisers. The Firm will evaluate potential managers/sub-advisers for investment across the following criteria:

### **QUALITY OF INVESTMENT APPROACH**

- Clear articulation of strategy and investment philosophy
- Understand decision-making process
- Identify sources of risk and return
- Assess manager's sustainable competitive advantage
- Identify areas of risk (controls, key man, style, etc.)

### **PERSONNEL AND ORGANIZATIONAL ISSUES**

- Alignment of interests internally and with clients
- Integrity, passion, demeanor
- Experience – especially when gained in various market environments
- Depth of research and operations

- Appropriate ownership structure and staff incentives
- Relationship with clients – open, transparent, and adaptable

#### PERFORMANCE, FEES, AND STRUCTURE

- Audited historical track record
- Absolute return objective or relative performance
- Thoughtful, understandable, and credible goals
- Fees that are clear, competitive, and explicit

#### QUALITATIVE REVIEW

- Management team reputation and integrity
- Business structure and third party relationships
- Focus and commitment of management team
- Working environment

#### ASSET GROWTH ISSUES

- Capability to grow assets and organization
- Capacity for asset growth versus market opportunity, investment style, etc.
- Asset growth impact on style, performance objectives.

### **B. INVESTMENT STRATEGIES**

SKYVIEW believes that alternative investment strategies create the potential for producing enhanced risk-adjusted returns and the diversification benefits when incorporated as part of a long-term investment program.

SKYVIEW believes it is possible to identify, access, and construct portfolios of skilled alternative investment managers that, over an entire market cycle, have the ability to deliver enhanced risk-adjusted returns and diversification benefits relative to traditional long only investments.

Based on these beliefs, SKYVIEW utilizes a multi-manager approach for the construction of Fund of Funds and the Mutual Fund.

Generally, SKYVIEW invests with a diversified group of portfolio managers through the Fund of Funds or the mutual fund that invest or trade in a wide range of securities and employ diverse investment techniques and strategies. SKYVIEW determines the appropriate investment strategies, identifies and retains individual portfolio managers, and monitors the ongoing performance of each of the underlying managers.

SKYVIEW seeks appropriate managers across many investment strategies including, but not limited to, long/short equity, macro, event-driven, credit and distressed, short-biased, low exposure and arbitrage styles.

## C. RISK OF LOSS

Although SKYVIEW will seek to select only money managers and sub-advisers who will invest the Funds' assets with the highest level of integrity, SKYVIEW will have no control over the day-to-day operations of any of its selected money managers and sub-advisers. As noted above, SKYVIEW does perform due diligence on all managers and sub-advisers chosen. Nonetheless, SKYVIEW would not necessarily be aware of certain activities at the underlying money manager/sub-adviser level, including without limitation their engagement in unreported risks, investment "style drift" or even fraud. As a result, there can be no assurance that money managers and sub-advisers will conform their conduct in a manner that is consistent with SKYVIEW's expectations.

### 1. The Mutual Fund

Mutual fund investing involves risk. Principal loss is possible. The Orinda Fund can make short sales of securities, which involves the risk that losses in securities may exceed the original amount invested. The Orinda Fund may use leverage which may exaggerate the effect of any increase or decrease in the value of portfolio securities or the Net Asset Value of the fund, and money borrowed will be subject to interest costs. Investments in smaller companies involve greater risks such as limited liquidity and greater volatility. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by the Orinda Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. The Orinda Fund may use certain types of investment derivatives such as futures, forwards, and swaps. Derivatives involve risks different from, and in certain cases, greater than the risks presented by more traditional investments. Diversification does not assure a profit or protect against a loss in a declining market.

Shareholders should carefully consider the investment objectives, risks, charges and expenses. This and other important information about the Mutual Fund is contained in the Orinda Fund's prospectus, which should be read carefully before invested.

**New Fund Risk:** Regarding the launch of a Mutual Fund in 2011, the Firm had not previously provided Lead Sub-Advisory services for a mutual fund. Additionally, although the Firm will assist in choosing Sub-Advisers which it believes have suitable investment backgrounds and show substantial performance potential, some of these Sub-Advisers may not have extensive track records. The Fund is new with limited operating history and there can be no assurance that the Fund will grow to or maintain an economically viable size, in which case the Board may determine to liquidate the Fund.

### 2. The Fund of Funds

Alternative investment products often engage in leveraging and other speculative investment practices that may increase the risk of investment loss. Because risks are

inherent in all the investments in which the Fund engages, no assurances can be given that the Fund's investment objectives will be realized.

An investor could lose all or a substantial amount of his or her investment. Notwithstanding the method of analysis or investment strategy employed by the Firm, the assets within the Fund are subject to risk of devaluation or loss. An investor should not make an investment in the Fund with the expectation of sheltering income or receiving cash distributions.

An investment in the Fund should form only as part of a complete investment program, and an investor must be able to bear the loss of its entire investment. Investors are urged to consult with their personal advisers before investing in the Fund.

**Management Risk:** The skill of the Firm will play a significant role in its ability to achieve the Sky View Fund's investment objectives. The ability to achieve a certain investment objective depends on the ability of the SKYVIEW to correctly identify economic trends.

SKYVIEW believes that substantial returns can be achieved by investing in the Fund; however, such investment involves a high degree of risk. Because risks are inherent in all the investments in which the Fund engages, no assurances can be given that the Fund's investment objectives will be realized. **SKYVIEW urges investors to review carefully the risk factors set forth in the Fund's Memorandum.** The Fund's Memorandum contains important information concerning risk factors and other material aspects of the Fund and must be read carefully before any decision whether to invest is made. The risk factors set forth in the Fund's Memorandum are those deemed by SKYVIEW to be the most significant.

### **3. General Risk Factors**

The following principal risks relate to the types of investments that SKYVIEW (or its managers/sub-advisors) may make or recommend. These risks as well as other risks unforeseen and not listed below, could affect the value of a shareholder or investor within a fund or a separately managed account.

*Market Risk.* The value of the Fund's shares will fluctuate as a result of the movement of the overall stock market or of the value of the individual securities held by the Fund, and you could lose money.

*Growth Stock Risk.* Growth stocks may be more volatile than other stocks because they are generally more sensitive to investor perceptions of the issuing company's earnings growth potential.

*Value Stock Risk.* Value stocks can perform differently from the market as a whole and from other types of stocks. While certain value stocks may increase in value more quickly during periods of anticipated economic upturn, they may also lose value more quickly in periods of anticipated economic downturn.

*Foreign and Emerging Market Securities Risk.* Foreign investments may carry risks associated with investing outside the United States, such as currency fluctuation, economic or financial instability, lack of timely or reliable financial information or

unfavorable political or legal developments. Those risks are increased for investments in emerging markets.

*Currency Risk.* Changes in foreign currency exchange rates will affect the value of what the Fund owns and the Fund's share price. Generally, when the U.S. dollar rises in value against a foreign currency, an investment in that country loses value because that currency is worth fewer U.S. dollars. Devaluation of a currency by a country's government or banking authority also will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets.

*Small and Medium Companies Risk.* Investing in securities of small and medium capitalization companies may involve greater volatility than investing in larger and more established companies because small and medium capitalization companies can be subject to more abrupt or erratic share price changes than larger, more established companies.

*Derivatives Risk.* A Fund's use of derivatives (which may include options, futures, swaps and forward foreign currency contracts) may reduce the Fund's returns and/or increase volatility. A risk of the Fund's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.

*ETF and Mutual Fund Risk.* When the Fund(s) invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Inverse ETFs are subject to the risk that their performance will fall as the value of their benchmark indices rises. The Fund(s) also will incur brokerage costs when it purchases ETFs.

*Fixed Income Securities Risk.* Interest rates may go up resulting in a decrease in the value of the fixed income securities held by the Fund. Credit risk is the risk that an issuer will not make timely payments of principal and interest. There is also the risk that an issuer may "call," or repay, its high yielding bonds before their maturity dates. Fixed income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Limited trading opportunities for certain fixed income securities may make it more difficult to sell or buy a security at a favorable price or time.

*High-Yield Securities Risk.* Fixed income securities that are rated below investment grade (i.e., "junk bonds") are subject to additional risk factors such as increased possibility of default liquidation of the security, and changes in value based on public perception of the issuer.

*Government-Sponsored Entities Risk.* Securities issued by government-sponsored entities may not be backed by the full faith and credit of the United States.

*Exchange-Traded Note Risk.* The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in

the underlying securities' markets, changes in the applicable interest rates, changes in the issuer's credit rating and economic, legal, political or geographic events that affect the referenced index. In addition, the notes issued by ETNs and held by a fund are unsecured debt of the issuer.

***Leverage and Short Sales Risk.*** Leverage is the practice of borrowing money to purchase securities. It can increase the investment returns of the Fund if the securities purchased increase in value in an amount exceeding the cost of the borrowing. However, if the securities decrease in value, the Fund(s) will suffer a greater loss than would have resulted without the use of leverage. A short sale is the sale by the Fund of a security which it does not own in anticipation of purchasing the same security in the future at a lower price to close the short position. A short sale will be successful if the price of the shorted security decreases. However, if the underlying security goes up in price during the period in which the short position is outstanding, the Fund(s) will realize a loss. The risk on a short sale is unlimited because the Fund(s) must buy the shorted security at the higher price to complete the transaction. Therefore, short sales may be subject to greater risks than investments in long positions.

***Sector Risk.*** To the extent the Fund(s) invests a significant portion of its assets in the securities of companies in the same sector of the market, the Fund(s) is more susceptible to economic, political, regulatory and other occurrences influencing those sectors.

***Portfolio Turnover Risk.*** A high portfolio turnover rate (100% or more) increases the Fund's transaction costs (including brokerage commissions and dealer costs), which would adversely impact the Fund's performance. Higher portfolio turnover may result in the realization of more short-term capital gains than if the Fund(s) had lower portfolio turnover.

***Interest-rate Risk:*** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

***Business Risk:*** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

***Financial Risk:*** Excessive borrowing to finance a business' operations increases the risk of losses, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

***Liquidity Risk:*** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.



*Inflation Risk:* When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.

*Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

*Fraud Risk:* SKYVIEW may limit access to information regarding the activities of the Sub-Advisors. Furthermore, it cannot guarantee the accuracy or completeness of such information. As a consequence, it will be difficult, if not impossible, to avoid the risk of Sub-Adviser fraud, misrepresentation or material strategy alteration.

## **Item 9                      Disciplinary Information**

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The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **A. FINANCIAL INDUSTRY ACTIVITIES**

SKYVIEW is not registered as a broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading adviser.

One (1) of SKYVIEW's management person(s) is registered representative(s) of a broker-dealer. Hilde Hovnanian is a registered representative and is licensed to sell securities through Quasar. Ms. Hovnanian may receive commission-based compensation in connection with the purchase and sale of securities. Any compensation earned by Ms. Hovnanian in her capacity as a registered representative is separate and in addition to our advisory fees. She will devote approximately ten percent of her time as a registered representative of Quasar.

No management person(s) are associated person(s) of a futures commission merchant, commodity pool operator or commodity trading adviser.

### **B. FINANCIAL INDUSTRY AFFILIATIONS**

SKYVIEW is not registered as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, none of SKYVIEW's management or supervised persons are registered as, or have applications pending to register as associated persons of the foregoing entities.

### **C. AFFILIATIONS**

SKYVIEW does not have any arrangements that are material to its advisory business or to its clients with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift

institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships not already listed herein.

#### **D. OTHER INVESTMENT ADVISERS**

SKYVIEW does provide access to third party money managers/sub-advisers for its Clients; however, the Firm does not receive compensation from those money managers and sub-advisers, nor does the Firm have a business relationship with those money managers and sub-advisers that creates a material conflict of interest.

SKYVIEW does not have any other arrangements that are material to its advisory or its clients with other investment advisers.

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

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### **A. DESCRIPTION OF CODE OF ETHICS**

SKYVIEW's Code of Ethics is designed to prevent conduct that could create an actual or potential conflict of interest with any client. While affirming its confidence in the integrity and good faith of all its employees, SKYVIEW recognizes that certain personnel have or may have knowledge of present or future portfolio transactions and, in certain circumstances, the power to influence portfolio transactions made by clients. Furthermore, if such individuals engage in personal securities transactions, these individuals could be in a position where their personal interests may conflict with the interests of SKYVIEW's clients.

SKYVIEW's Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, market timing, late trading and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. The Firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

All personal securities transactions shall be conducted consistent with the Code and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility.

### **B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

SKYVIEW solicits potential limited partners to purchase interests in the Sky View Fund. SKYVIEW also serves as the investment manager of the Sky View Fund, and as such is responsible for the operations of the Sky View Fund. SKYVIEW earns both a management fee and a performance-based incentive fee on the private investment funds. Each client will be advised of such potential conflict of interest. In the event that SKYVIEW invests the assets of a private fund that it manages into a mutual fund that it sub-advises, clients could be charged multiple layers of fees. Principals and employees of SKYVIEW may invest in any of the Funds that SKYVIEW advises.

SKYVIEW or a related person may from time to time purchase for its own account securities recommended by SKYVIEW for the purchase and/or sale by the Funds. However, any purchase or sale of a security by SKYVIEW or a related person will be subject to SKYVIEW's fiduciary duty to its Clients. SKYVIEW and its employees have a fiduciary duty to place the interests of their clients ahead of their own interests.

### **C. PROPRIETARY TRADING**

From time to time, SKYVIEW and persons related to SKYVIEW may purchase or sell securities that are also recommended to Clients by SKYVIEW and/or its third party investment managers. SKYVIEW has adopted a Code of Ethics that limits its ability to buy and sell securities for its own account where it recommends the same security to its Clients.

### **D. SIMULTANEOUS TRADING**

From time to time, representatives of SKYVIEW may buy or sell securities for themselves at or around the same time as for its Clients. In any instance where similar securities are being bought or sold, we will uphold our fiduciary duty by always transacting on behalf of our client before transacting for our own benefit.

## **Item 12 Brokerage Practices**

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### **A. SELECTION AND RECOMMENDATION**

#### **1. The Mutual Fund**

Prime brokers for the Mutual Fund have been selected by both the Mutual Fund's Adviser and SKYVIEW.

Other Sub-Advisors that SKYVIEW recommends generally will seek competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker-dealer involved resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services. The reasonableness of commissions is based on the broker-dealer's ability to provide professional services, competitive commission rates, research and other services that will help in providing investment management or advisory services.

#### **2. The Fund of Funds**

With respect to the hedge fund, SKYVIEW does not select or recommend brokers or custodian because investment management involves investing in other investment funds. SKYVIEW has no discretion with respect to the selection of brokers (other than to select brokers to liquidate any redemption proceeds received by the Fund in kind). The underlying Money Managers will allocate portfolio transactions to brokers. It is expected that brokers will generally be selected on the basis of best execution and also in consideration of such brokers' provision or payment of the costs of research and other investment-management-related services and equipment

as permitted by Section 28(e) of the Exchange Act, as amended. Please refer to Section 12.B. below.

#### **B. SOFT DOLLARS**

SKYVIEW does not intend to generate “soft dollars” with respect to client trades at this time. (ADD the intended language)

***Note Regarding the Fund of Funds:*** Money Managers may receive soft dollars that are outside the scope of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended (i.e., for uses other than for research or investment management related services and equipment or for items that benefit the Money Managers rather than the Fund. The commission rates charged by the broker-dealers in these circumstances may be higher than those charged by broker-dealers who may not offer such services.

#### **C. BROKERAGE FOR CLIENT REFERRALS**

SKYVIEW does not receive client referrals from third parties for recommending the use of specific broker-dealer brokerage services. See Item 12A.

#### **D. DIRECTED BROKERAGE**

Directed brokerage arrangements are not applicable to the investment management policies of SKYVIEW.

#### **E. ORDER AGGREGATION**

SKYVIEW investment advisory services involve advising the Funds with respect to choosing third party money managers and sub-advisers to manage the Funds’ account portfolios. Due to the nature of these consulting agreements, order aggregation is not applicable to nor affect the investment management policies of SKYVIEW.

## **Item 13 Review of Accounts**

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#### **A. PERIODIC REVIEWS**

##### **1. Mutual Fund**

The Mutual Fund’s accounts are monitored in terms of securities holdings, asset mix and adherence to investment guidelines. The investment portfolios are reviewed no less frequently than monthly with the sub-advisers to the Mutual Fund. These reviews may include discussions on the following: (1) material changes to the Sub-Adviser’s business operations, personnel, etc. (2) evaluation of investment decisions in relation to with the Fund investment objectives (3) utilization of appropriate investment strategies (4) portfolio performance (5) any topic pertinent to the review of the investment portfolio.

##### **2. Fund of Funds**

SKYVIEW regularly reviews the Fund’s investment strategies including current portfolio holding, on a continual basis. The Firm reviews the investment programs

of the other Funds to analyze rates of return, allocation of assets and to verify that the portfolio strategies are consistent with the Fund's investment objectives. SKYVIEW also performs all the due diligence on the Money Mangers chosen to be included in the Fund of Funds.

**B. INTERMITTENT REVIEW FACTORS**

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in the Funds' objectives.

**C. REPORTS**

**1. The Mutual Fund**

Mutual fund statements will be provided by the mutual fund's designated transfer agent or administrator / custodian.

**2. The Fund of Funds**

Limited Partners will receive unaudited performance reports and audited financial statements.

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

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**A. ECONOMIC BENEFITS FOR ADVISORY SERVICES RENDERED**

The Firm does not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its Clients.

**B. COMPENSATION FOR CLIENT REFERRALS**

Neither SKYVIEW nor its related persons compensate directly or indirectly any person who is not a supervised person for Client referrals.

## **Item 15 Custody**

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**A. CUSTODIAN OF ASSETS**

**1. The Mutual Fund**

SKYVIEW is not deemed to have custody of the Mutual Fund's assets. However, in the event that SKYVIEW is deemed to have custody as such, SKYVIEW will comply with the Custody Rule.

**2. The Fund of Funds**

SKYVIEW has indirect custody of client assets because it has the ability to deduct advisory fees payable to it, and has a general power of attorney over the Fund's account. Accordingly, SKYVIEW will (1) follow all applicable custody rules and/ or regulations and (2) amend its Form ADV and Brochure as required. The physical assets of the Fund are held in an account with Fund's custodian.

## **B. ACCOUNT STATEMENTS**

### **1. The Mutual Fund**

Shareholders will receive statements and reports from the Mutual Fund that include: (a) confirmation statements; (b) annual and semi-annual shareholder reports; and (c) quarterly account statements. SKYVIEW will not provide reports.

### **2. The Fund of Funds**

SKYVIEW will provide Fund's investors with unaudited performance reports and other pertinent information regarding the Fund's performance on a monthly basis.

## **Item 16 Investment Discretion**

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### **1. The Mutual Fund**

As noted in Item 4, SKYVIEW will allocate to each Sub-Adviser a portion of the Mutual Fund's assets to invest. Each Sub-Adviser has complete discretion to invest its portion of the Mutual Fund's assets as it deems appropriate, based on its particular philosophy, style, strategies and views. Each Sub-Adviser is subject to the oversight of SKYVIEW.

### **2. The Fund of Funds**

The Money Managers will be granted discretionary trading authority to provide investment supervisory services for that portion of the Sky View Fund's portfolios allocated to that particular Money Manager. SKYVIEW at all times retains the authority to terminate the relationship with the Money Managers or to add a new Money Manager. SKYVIEW's role will be to monitor the overall financial situation of the Sky View Fund, and to monitor the investment approach and performance of the Money Manager.

## **Item 17 Voting Client Securities**

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Under Section 206 of the Advisers Act, an investment adviser has a fiduciary duty to vote proxies in the best interests of the client and to treat clients fairly. In cases where SKYVIEW exercises discretion over the purchase of securities (other than investments in private funds and mutual funds), SKYVIEW shall vote proxies related to securities held by any client's account over which it maintains discretionary authority consistent with its proxy voting policy. Proxy votes generally will be cast in a manner that is in the best interest of the client.

In exercising its voting discretion, SKYVIEW shall seek to avoid any direct or indirect conflict of interest raised by such voting decision. If the Chief Compliance Officer believes that there is any potential material conflict of interest for the Firm on a particular proxy vote, it is to be turned over to the Investment Management Committee for the voting decision.

Consistent with Rule 206(4)-6 of the Advisers Act, SKYVIEW will retain certain records required by applicable law in connection with its proxy voting activities for clients and shall provide proxy-voting information to clients upon their written or oral request. A copy of SKYVIEW's proxy voting policies and procedures is available to clients upon request.

### **Proxy Voting Delegation**

SKYVIEW intends to contractually delegate its proxy voting authority to sub-advisers and managers of funds (collectively "Sub-Advisers") in which mutual funds or fund of funds managed by SKYVIEW may invest. SKYVIEW's policy will require that such Sub-Advisers vote proxies received in a manner consistent with the best interests of the mutual fund and its other clients. As required, SKYVIEW and the Sub-Advisers may present to SKYVIEW's clients, at least annually, their policies and a record of each proxy voted by the sub-advisers on behalf of clients, including a report on the resolution of all proxies identified by the Adviser and the sub-advisers as involving a conflict of interest.

When a material conflict of interest between SKYVIEW's interests and its Clients' interests appears to exist, SKYVIEW may choose among the following options to eliminate such conflict: (1) for routine matters, voting in accordance with SKYVIEW's policies and procedures and the guidelines, where doing so involves little or no discretion; (2) if possible, erect information barriers around the person or persons making voting decisions sufficient to insulate the decision from the conflict; (3) notify affected Clients of the conflict of interest and seek a waiver of the conflict; (4) if agreed upon in writing with the Client, forward the proxies to affected Clients allowing them to vote their own proxies; or (5) may convene an ad-hoc committee of no fewer than two senior executives with the portfolio manager to debate the conflict and to give ruling on the preferred course of action. In all instances, SKYVIEW will seek to resolve the conflict in a manner that is acceptable to all affected parties and is in the best interests of any affected Client(s).

## **Item 18 Financial Information**

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### **A. BALANCE SHEET REQUIREMENT**

SKYVIEW is not the qualified custodian for Client fund or securities, and does not require prepayment of fees of more than \$1200 per Client, six (6) months or more in advance.

### **B. FINANCIAL CONDITION**

SKYVIEW does not have any financial impairment that would preclude the Firm from meeting contractual commitments to Clients.

### **C. BANKRUPTCY PETITION FILINGS**

SKYVIEW has not been the subject of a bankruptcy petition at any time during the last 10 years.