

Poet Advisors LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Poet Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (212) 643-8812 or by email at: aberk@croftprop.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Poet Advisors LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Poet Advisors LLC's CRD number is: 161052

575 8th Ave, 16th Floor
New York, New York, 10018
(212) 643-8812
aberk@croftprop.com

Registration does not imply a certain level of skill or training.

Version Date: 8/8/2012

Item 2: Material Changes

Poet Advisors LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

Item 3: Table of Contents

Table of Contents

Item 1: Table of Contents	
Item 2: Material Changes	i
Item 3: Table of Contents	ii
Item 4: Advisory Business	1
A. Description of the Advisory Firm	1
B. Types of Advisory Services	1
Investment Supervisory Services	1
Performance Based Fees	1
Services Limited to Specific Types of Investments	1
C. Client Tailored Services and Client Imposed Restrictions	1
D. Wrap Fee Programs	2
E. Amounts Under Management	2
Item 5: Fees and Compensation	2
A. Fee Schedule	2
Investment Supervisory Services Fees	2
Performance Based Fees	2
B. Payment of Fees	3
Payment of Investment Supervisory Fees	3
Payment of Performance Based Fees	3
C. Clients Are Responsible For Third Party Fees	3
D. Prepayment of Fees	3
E. Outside Compensation For the Sale of Securities to Clients	3
Item 6: Performance-Based Fees and Side-By-Side Management	3
Item 7: Types of Clients	3
Minimum Account Size	4
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss	4
A. Methods of Analysis and Investment Strategies	4
Methods of Analysis	4
Investment Strategies	4
B. Material Risks Involved	4
Methods of Analysis	4
Investment Strategies	5
C. Risks of Specific Securities Utilized	5

Item 9: Disciplinary Information	6
A. Criminal or Civil Actions	6
B. Administrative Proceedings	6
C. Self-regulatory Organization (SRO) Proceedings	6
Item 10: Other Financial Industry Activities and Affiliations	6
A. Registration as a Broker/Dealer or Broker/Dealer Representative	6
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor	6
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests	6
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections	6
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	7
A. Code of Ethics	7
B. Recommendations Involving Material Financial Interests	7
C. Investing Personal Money in the Same Securities as Clients	7
D. Trading Securities At/ Around the Same Time as Clients' Securities	7
Item 12: Brokerage Practices	8
A. Factors Used to Select Custodians and/or Broker/Dealers	8
1. Research and Other Soft-Dollar Benefits	8
2. Brokerage for Client Referrals	8
3. Clients Directing Which Broker/Dealer/Custodian to Use	8
B. Aggregating (Block) Trading for Multiple Client Accounts	8
Item 13: Reviews of Accounts	9
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews	9
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts	9
C. Content and Frequency of Regular Reports Provided to Clients	9
Item 14: Client Referrals and Other Compensation	9
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)	9
B. Compensation to Non – Advisory Personnel for Client Referrals	9
Item 15: Custody	9
Item 16: Investment Discretion	10
Item 17: Voting Client Securities (Proxy Voting)	10
Item 18: Financial Information	10
A. Balance Sheet	10
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients	10
C. Bankruptcy Petitions in Previous Ten Years	10

Item 4: Advisory Business

A. Description of the Advisory Firm

Poet Advisors LLC is a Limited Liability Company organized in the state of New York. The firm was formed in May of 2012, and the principal owner is Adam Berkowitz.

B. Types of Advisory Services

Poet Advisors LLC (hereinafter "PA") offers the following services to advisory clients:

Investment Supervisory Services

PA advises partnerships that invest in CMO securities, specifically non-agency RMBS. PA offers ongoing portfolio management services to partnerships based on their goals, objectives, time horizon, and risk tolerance. PA creates an Investment Policy Statement for each partnership, which outlines the current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following. PA will have discretionary authority from the partnerships in order to select securities and execute transactions without permission prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Performance Based Fees

Qualified investors may be charged performance fees based on net profits above a high water mark.

Services Limited to Specific Types of Investments

PA generally limits its money management to fixed income and debt securities. PA may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

PA offers the same suite of services to all partnerships. However, specific plans and their implementation are dependent upon the Investment Policy Statement which outlines each partnership's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

The partnerships may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. PA does not participate in any wrap fee programs.

E. Amounts Under Management

PA is a newly formed investment advisory firm, as such; its current assets under management are not yet reported.

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
All Investor Committed Capital	1.00%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Performance Based Fees

Qualified investors are charged an asset based management fee of 1.00% on all assets under management and a performance based fee of 20% of net profits above a high water mark. Fees are paid monthly in arrears, and clients may terminate their contracts with thirty days' written notice.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the partnership's accounts with written authorization. Fees are paid monthly in arrears.

Payment of Performance Based Fees

Performance Based fees are withdrawn directly from the partnership's accounts with written authorization. Fees are paid monthly in arrears.

C. Clients Are Responsible For Third Party Fees

The partnerships are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by PA. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

PA collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Neither PA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

Qualified investors are charged an asset based management fee of 1.00% on all assets under management and a performance based fee of 20% of net profits above high water mark. Fees are paid monthly in arrears, and clients may terminate their contracts with thirty days' written notice. PA provides best execution practices and upholds its fiduciary duty for all clients.

Item 7: Types of Clients

PA generally provides management supervisory services to partnerships that invest in CMO securities

Minimum Account Size

There is an account minimum, \$150,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

PA's methods of analysis include underwriting non-agency RMBS bonds based on modeling of cash flows using constant prepayment rate, constant default rate, and loan severity assumptions.

Investment Strategies

PA uses long term trading and short term trading strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

PA's methods of analysis include underwriting non-agency RMBS bonds based on modeling of cash flows using constant prepayment rate, constant default rate, and loan severity assumptions.

Market Risk

PA's investment in the NARMBS will be subject to a risk of market interest rate fluctuations, which may cause rise or fall of the NARMBS note price. When the interest rates rise in the market, the market price of debt securities decreases, and vice versa.

Taxation and legislation risk

Any changes in the legal acts concerning debt securities or any changes in taxation policy of relevant jurisdiction may affect the attractiveness of the NARMBS acquired by PA. Such changes may also reduce liquidity and/or price of the NARMBS.

General Market Risks

An investment in the Interests offered hereby is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other governmental agency. PA's net asset value, yield, and total return will fluctuate based upon changes in the value of its portfolio. PA is not a complete investment program and there is no assurance that PA will achieve its investment objective. Investors could lose money on their investment in PA or PA could under perform other investments due to, among other things, poor investment decisions by the Manager.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

PA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither PA nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither PA nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither PA nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

PA does not utilize nor select other advisers or third party managers. All assets are managed by PA management.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

PA does not recommend that clients buy or sell any security in which a related person to PA or PA has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of PA may buy or sell securities for themselves that they also recommend to the partnerships. This may provide an opportunity for representatives of PA to buy or sell the same securities before or after recommending the same securities to the partnerships resulting in representatives profiting off the recommendations they provide to the partnerships. Such transactions may create a conflict of interest. PA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of PA may buy or sell securities for themselves at or around the same time as the partnerships. This may provide an opportunity for representatives of PA to buy or sell securities before or after recommending securities to the partnerships resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PA will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodians, Barclays, JP Morgan, Deutsche Bank, and Odeon Capital, were chosen based on their relatively low transaction fees and access to mutual funds and ETFs. PA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. Research and Other Soft-Dollar Benefits

PA receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that PA must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for PA to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. PA always acts in the best interest of the client.

2. Brokerage for Client Referrals

PA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

PA will not allow clients to direct PA to use a specific broker-dealer to execute transactions. Clients must use PA recommended custodian (broker-dealer).

B. Aggregating (Block) Trading for Multiple Client Accounts

PA maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing PA the ability to purchase larger blocks resulting in smaller transaction costs to the partnerships. Declining to block trade can cause more expensive trades for the partnerships.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

The partnerships' accounts are reviewed at least monthly only by Adam Berkowitz, Managing Member. Adam Berkowitz is the chief advisor and is instructed to review accounts with regards to their investment policies and risk tolerance levels. All accounts at PA are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each partnership will receive at least monthly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

PA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to PA clients.

B. Compensation to Non - Advisory Personnel for Client Referrals

PA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

PA, with written authority, has limited custody of the partnership's assets through direct fee deduction of PA's Fees only. If the partnerships choose to be billed directly by Barclays, JP

Morgan, Deutsche Bank, and Odeon Capital, PA would have constructive custody over that account and must have written authorization from the partnership to do so. The partnerships will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

The partnerships have given PA written discretionary authority over the accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the partnerships before any advisory relationship has commenced. The partnerships provide PA discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the partnership and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

PA will not ask for, nor accept voting authority for securities. The partnerships will receive proxies directly from the issuer of the security or the custodian. The partnerships should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

PA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither PA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

PA has not been the subject of a bankruptcy petition in the last ten years.