

**Part 2A of Form ADV: *Firm Brochure***

**JAMES ALPHA MANAGEMENT, LLC**

515 Madison Avenue, 24<sup>th</sup> Floor  
New York, NY 10022

Telephone: (720)-213-3393

Facsimile: (303)-221-9005

E-mail:

[eanth@jamesalpha.com](mailto:eanth@jamesalpha.com)

03/28/2019

**This brochure provides information about the qualifications and business practices of James Alpha Management, LLC (hereinafter “James Alpha” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (720)-213-3393 or at [eanth@jamesalpha.com](mailto:eanth@jamesalpha.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. Although James Alpha is a registered investment adviser, registration itself does not require, and should not be interpreted to imply, any particular level of skill or training.**

**Additional information about James Alpha 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 James Alpha is 157106.**

## **Item 2 MATERIAL CHANGES**

This document is James Alpha Management, LLC's Form ADV, Part 2A Disclosure Brochure ("Brochure"). Since our last annual filing of this Form ADV, Part 2A Disclosure Brochure filed in March 2018, we have made no material amendments.

- NONE

Please note the above only summarizes the material changes made since our last amendment. Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days after the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

**Item 3. Table of Contents**

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

#### **Item 4. Advisory Business**

James Alpha Management, LLC is an SEC-registered investment adviser with its principal place of business in New York, New York. The firm has been in business since 2006, with Kevin Robert Green, Denis James Nayden, James Samuel Vitalie and Michael Joseph Montague as the principal owners of the firm.

James Alpha provides investment management services to the following private funds (hereinafter collectively, "the Private Funds"):

- ***James Alpha Sabre Dynamic Equity Master Fund, LP (the "Master Fund") is a Cayman Islands exempted limited partnership.***
- ***James Alpha Sabre Dynamic Equity Fund, LP, is a Delaware limited partnership***
- ***Sabre Dynamic Equity Fund, Ltd is an exempted company incorporated under the laws of the Cayman Islands***

#### **James Alpha Sabre Dynamic Equity Master Fund, LP**

The James Alpha Sabre Dynamic Equity Master Fund is the master fund in a master-feeder structure, with the James Alpha Sabre Dynamic Equity Fund and Sabre Dynamic Equity Fund acting as the feeders. As such, investment activity of the feeder funds takes place indirectly through an investment of substantially all of the feeder funds' assets in the James Alpha Sabre Dynamic Equity Master Fund.

The Sabre Dynamic Equity Funds' objective is to achieve capital growth by using alternative equity-linked investment strategies. The funds intend to achieve its investment objective by simultaneously executing long and short positions comprising groups of listed equities based on signals derived largely by the Managers' trading models.

*Subadviser Engagements:* James Alpha has conducted due diligence with respect to, and entered into sub-advisory arrangements with, certain affiliated and unaffiliated investment advisers to provide investment management services to each of the Private Funds. In general, direct management of these Private Funds will take place by the subadvisers engaged by James Alpha. While we have adopted written Due Diligence Policies and Procedures to assist us in vetting and monitoring subadvisers engaged on behalf of the Private Funds, investors should note, because James Alpha has meaningful interaction and/or experience with our affiliated investment adviser, including the day-to-day processes, portfolio managers, performance, strategies and risks, among other factors, we generally do not subject affiliated advisers to the same level of due diligence scrutiny or analysis as we may other subadvisers selected. (See Items 8 and 10 for additional information).

*Unregistered Status:* The Private Funds are not required to register under the Securities Act of 1933 or the Investment Company Act of 1940 in reliance upon certain exemptions available to issuers whose securities are not publicly offered. We manage the Funds on a

discretionary basis in accordance with the terms and conditions of each Fund's offering and organizational documents.

**Assets:** As of December 31, 2018, we had approximately \$96,669,269 million in discretionary assets under management. James Alpha does not manage any assets on a non-discretionary basis.

**ADDITIONAL CONSIDERATIONS:** The information provided herein merely summarizes the detailed information provided in each Fund's organizational and offering documents. Investors in any one or more of the Funds should be aware of additional risks and requirements associated with investment. Investors should refer to the appropriate Fund organizational and offering documents for important additional information and considerations prior to subscribing to invest.

## **Item 5. Fees and Compensation**

James Alpha charges management fees ("Management Fees") to its clients for its advisory services.

In addition, James Alpha, LLC, an entity under common control and ownership, will receive an annual "Incentive Allocation" as described below. James Alpha, LLC is the General Partner to all of our Private Funds.

**MANAGEMENT FEES:** With respect to each Private Fund, James Alpha Management, LLC shall charge a management fee up to 0.50% per quarter (2.00% annually) based on the market value of the assets held by the Private Fund, adjusted for capital contributions at the beginning of each quarter. The management fee will be directly debited from each Private Fund investor's capital account quarterly, in advance, in accordance with the applicable Private Fund's organizational or offering documents. With respect to the Feeder Funds, as applicable, the Management Fee will only be charged once, either at the feeder or master fund level.

**INCENTIVE ALLOCATION:** Subject to a loss recovery provision, or loss carryforward (as discussed below), a Performance Allocation equal to 20% of any net capital appreciation (including net unrealized gains) will be charged by the General Partner of the Private Funds on a quarterly or annual basis depending on the fund.

No Incentive Allocation will be made until any net loss previously allocated to an investor's capital account has been offset by subsequent net profits. Any such loss carryforward will be subject to reduction for withdrawals on a pro rata basis. Additional capital contributions will not affect an investor's loss recovery calculation.

**ALLOCATION OF EXPENSES:** Each private fund agreement will provide specific details to the investor on the amount of fees and expenses that are allocated between the funds and the advisor. This is to include operating expenses, such as reimbursements, offsets, broker dealer expenses, consulting fees, compliance expenses, and any fee or expense that could plausibly be construed as an expense properly borne by the advisor rather than the funds.

**Investors must understand the proposed method of compensation and its risks prior to investing in any of the Funds.**

**GENERAL INFORMATION:**

***Personal Investments in Funds:*** Certain executive officers and/or other employees of James Alpha have invested or may invest a portion of their personal net worth in one or more of the Funds.

***Different Fee Schedules:*** James Alpha's Management Fee and the General Partner's Incentive Allocation could be discounted or waived with respect to any investor for any particular period of time at the sole discretion of James Alpha or the General Partner, as applicable. This discounted rate or waiver is not available to all or even most investors in the Funds.

***Termination:*** An investor can withdraw all or any part of its investment from any of the Funds as set forth in the applicable Fund's offering documents. James Alpha or the General Partner, as applicable, can consider in its sole discretion, waive or modify any of the terms of withdrawals for certain investors who are relatives, employees or affiliates of James Alpha or the General Partner or its Principals, or for certain large or strategic investors as well as in any other case.

Investors in each Private Fund should refer to the appropriate Fund's organizational and offering documents for complete information regarding withdrawals of investments.

The agreement between James Alpha and any Fund can be cancelled only as provided by the terms of its limited partnership agreement or similar governing documents.

***Other Fees and Expenses:*** While it is not anticipated that mutual funds will be included in the fund portfolios, money market mutual funds can be used to 'sweep' unused cash balances until they can be appropriately invested. Investors should recognize that all fees paid to James Alpha for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

In addition to fees paid to our firm or the General Partner, as appropriate, investors will also be responsible for the fees and expenses charged by custodians and imposed by any broker dealer with which James Alpha effects transactions for the Private Funds. Please refer to Item 12 of this brochure for additional information regarding brokerage.

As disclosed at Item 4 of this Brochure, we can, as deemed appropriate, invest in partnership interests which can include other hedge funds, private equity funds or interests of other private partnerships managed by third parties. Under these circumstances, investors will incur at least two layers of fees with respect to the portion of his/her capital account invested in such partnership: James Alphas' management fee (and any performance based compensation paid to the General Partner), as well as the management fee and/or a performance-based compensation charged by the partnership in which the Fund invests. This layering of fees is incorporated in the net income or loss of the Fund, is not easily apparent to investors and will lower the investor's overall return.

**Side Letters:** Neither our firm nor the General Partner(s) of our Private Funds have entered into any formal side letter agreements. James Alpha or the General Partner may waive or modify the terms of investment for certain large or strategic investors, in side letters or otherwise, including but not necessarily limited to, a waiver or lowering of Management Fees, a waiver or lowering of the Incentive Allocation, providing preferential redemption rights, agreeing to “Key Man” event provisions or granting “Most Favored Nation” status and/or increased transparency or reporting.

**General:** Prospective investors should refer to the appropriate offering and organizational documents for additional important information, terms, conditions and risks involved with investing in the Fund(s).

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

As disclosed at Item 5 of this Brochure, our affiliate, James Alpha, LLC could receive an Incentive Allocation from the Funds, as applicable. An Incentive Allocation is a form of performance-based fee which is calculated based on a share of capital gains on or capital appreciation of the assets of the Fund. Investors should refer to the Fund’s underlying documents for further information regarding such fees and their calculations.

Investors and prospective investors in one or more of the Private Funds should note that performance-based fees can create an incentive for an adviser such as James Alpha to recommend investments which could be riskier or more speculative than those which would be recommended under a different fee arrangement. Also, because the Incentive Allocation is calculated on a basis which includes unrealized as well as realized appreciation of assets, it could be greater than if such compensation were based solely on realized gains.

At this time, we do not offer advisory services to clients who do not pay performance-based fees, and therefore, we do not have an incentive to favor performance-based fee accounts over non-performance-based fee accounts. However, in theory, we could have incentive to favor a Fund paying higher aggregate performance-based fees than one paying less or a Fund in which officers and employees of the firm may have more of their personal assets invested. Since we put the interest of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

- We disclose to investors and prospective clients the existence of material conflicts of interest, including the potential for our firm and its employees to earn more compensation from some clients than others;
- We collect, maintain and document accurate, complete and relevant investor background information to ensure that a private fund investor is qualified to invest;
- We have implemented written policies and procedures for fair and consistent allocation of investment opportunities among all Funds or other client accounts, subject to the Fund’s/client’s underlying strategy, cash availability, availability of interests in the underlying funds and other appropriate considerations;
- We periodically compare holdings and performance of all accounts with similar

strategies to identify significant performance disparities indicative of possible favorable treatment; and

- We educate our employees regarding the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Performance-based fees will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

**Fund investors must understand the performance-based fee method of compensation and its risks prior to subscribing to interests in any of the Funds.**

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

Our firm provides investment management services to several private investment funds and a separately-managed account, as disclosed at Item 4 of this Brochure.

Except as may have been permitted by us or the General Partner, depending on the Fund, the minimum required initial investment in any one of the Private Funds is \$1 million. Interests in any of James Alpha's onshore based funds will generally be sold only to qualified investors who are "accredited investors" under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and "qualified purchasers" under Section 2(a)(51) of the Investment Company Act of 1940, as amended.

Interests in the offshore based funds are intended for a limited number of experienced and sophisticated investors. Investors in the offshore based funds must be either non-U.S. investors or U.S. tax-exempt investors (or entities comprised primarily of U.S. tax-exempt investors). U.S. tax-exempt investors must be "accredited investors," as defined in Regulation D of the Securities Act of 1933, as amended and "qualified purchasers," as defined in Section 2(a)(51) of the Investment Company Act. In addition, the Board of Directors, in its sole discretion, may decline to accept the subscription of any prospective investor that does not meet such suitability requirements or for any other reason or no reason.

Should our firm or the General Partner, as appropriate, determine at any time in the future to accept new investors in any one or more of the Private Funds, such prospective investors should refer to the appropriate Fund offering documents for additional important qualifications requirements for investment.

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

### **METHODS OF ANALYSIS:**

***Subadviser analysis.*** As disclosed at Item 4 of this Brochure, we typically engage subadvisers to directly manage the Private Funds, as deemed appropriate. It is our policy and practice to conduct initial due diligence with respect to any investment manager considered for engagement as a subadviser and to monitor any selected investment manager on an on-going basis to determine and evaluate the portfolio management team's background, experience and philosophy; the process by which the manager makes investment decisions; how those decisions are implemented; the manager's investment



track record in both up and down markets; the manager's risk management controls, parameters and evaluation process, and the adequacy and effectiveness of the manager's operational and compliance controls and infrastructure.

In general, James Alpha's advisory practice involves the provision of support services to other advisers in the formation and launching of private funds in which these advisers could serve as subadviser. Consequently, we could be approached by third party advisers rather than James Alpha seeking them out. However, we do not accept *any* manager onto our platform. The principal driver of subadviser selection is the relative skill set of the underlying fund managers in research, trading, risk management and organization building, with integrity of the individual(s) managing the Private Fund the paramount consideration.

A risk of investing in a Fund managed by a subadviser selected after appropriate due diligence is that a subadviser that has been successful in the past may not be able to replicate that success in the future. In addition, as we do not control the subadviser's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

When directly managing client assets, we could use the following methods of analysis in managing the Funds.

***Fundamental Analysis:*** Fundamental analysis attempts to measure the intrinsic value of a security by examining macroeconomic and financial factors (including the overall economy, industry conditions, the financial condition and management of the company itself) to determine if the company is underpriced (indication it could be a good time to buy) or overpriced (indicating it could be time to sell). In evaluating the attractiveness of long equity investments, we generally focus on one or more of the following:

- *Asset, cash flow, and earnings based valuation:* Traditional valuation parameters, such as price/earnings ratios, price/cash flow, price/sales, price/book, price/asset replacement value, and price/liquidation value, are used to analyze individual portfolio companies. In the case of restructurings or other similar changes in corporate form, company financial statements are adjusted to reflect the true economics of the firm. Particular attention is directed at free cash flow, as the General Partner believes that changes in cash flow dynamics often precede significant corporation activity.
- *Competitive dynamics, market position, and opportunities for profitable reinvestment of cash:* The competitive dynamics of the industry and the market position of a company within the industry are assessed. Does the firm have a dominant market position? Is competition increasing? Can the firm reinvest its cash flow at above-average rates of return?
- *Management capability and intent:* The management of each portfolio company is evaluated carefully. Does management have a plan and does management's track record indicate that they can execute on the plan? Is management profit-oriented and do they demonstrate intent to run the company for the benefit of shareholders?
- *Catalysts:* Is there a potential catalyst, such as reorganization, restructuring, spin-off, merger or acquisition, or other extraordinary corporate transaction, that

will expose the true value of either a long or short investment?

An inherent risk when using fundamental analysis is that this methodology does not attempt to anticipate short term market movements though the price of a security can and often does move up and down along with the overall market regardless of the economic and financial factors considered by us in evaluating the particular security. Nevertheless, we believe that fundamental analysis should prevail over time and that with proper price discipline, absolute returns consistent with the Funds' objectives can be generated.

**Technical analysis:** We may also analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis includes both cyclical analysis and charting.

**Cyclical analysis:** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to anticipate the price movement of the security.

**Charting:** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend could last and when that trend might reverse.

A risk of technical analysis is that it does not consider the underlying financial condition of a company. This presents the possibility that, without further fundamental analysis, a poorly-managed or financially unsound company will underperform the market in the long term regardless of market movement or momentum.

**Quantitative analysis:** As appropriate, we can also use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used can be based on assumptions that prove to be incorrect.

**Qualitative analysis:** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment could prove incorrect.

**Risks for All Forms of Securities Analysis:** Our analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES:

The following investment strategies can be used when directly managing client assets.

**Long-Term Purchases:** We purchase securities with the idea of holding them in the Fund as an investment. We would do this because we believe the securities to be currently undervalued.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security can decline sharply in value before we make the decision to sell.

**Short-term purchases:** We can also purchase securities with the idea of selling them within a relatively short time, typically a year or less. On occasion, we might even purchase securities with the intention of selling them within 30 days or less. We typically will make short term purchases in an effort to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was intended to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Special Situations:** As disclosed at Item 4 of this Brochure, we could invest in companies involved in (or that are the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions.

In any investment opportunity involving such a special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund can be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which we can invest on behalf of the Funds, there is a potential risk of loss by the Fund of its entire investment in such companies.

**Short Sales:** We could borrow shares of a stock on behalf of a Fund from another who owns the stock with a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. Short positions in equity securities are typically in companies that are believed to be overvalued relative to the market, have weak market positions, participate in increasingly competitive marketplaces, have poor management that destroy or inhibit growth in value, or have weakening cash flows and precarious balance sheets. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

Short selling results in some unique risks:

- *Losses can be infinite.* A short sale loses when the stock price rises, and a stock is not limited (at least, theoretically) in how high it can go. For example, if you short 100 shares at \$50 each, hoping to make a profit but the shares increase to \$75 per share, you'd lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits your potential upside.
- *Short squeezes can wring out profits.* As stock prices increase, short seller losses also increase as sellers rush to buy the stock to cover their positions. This increase in demand, in turn, further drives the prices up.
- *Timing.* Even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place, i.e., being right too soon. Although a company is overvalued, it could conceivably take some time for the price to come down; during which you are vulnerable to interest, margin calls, etc.
- *Inflation.* History has shown that over the long term, most stocks appreciate. Even if a company barely improves over time, inflation should drive its share price up somewhat. In fact, short selling may not be appropriate in times of inflation for that very reason, as prices can adjust upwards regardless of the value of the stock.

To minimize the risks inherent in short selling, the Funds' short portfolio is more diverse than its long portfolio.

**Leveraged Transactions:** We can purchase stocks for the Funds with money borrowed from the applicable Fund's prime broker or other Fund brokerage account. This allows us to purchase more stock than we would otherwise be able to with the Funds' available cash, and allows us to purchase stock without selling other holdings.

A risk of leveraged transaction is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the financial institution will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you can lose more money than you originally invested.

**Option Writing:** From time to time as we deem appropriate, and in accordance with the investment mandate for the Funds, we can also use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time.

We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to “hedge” a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We could use “covered calls,” in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

We can also use options to implement a “spreading strategy,” in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

**OTC Securities:** As disclosed at Item 4 of this Brochure, we can invest in swaps, forwards and certain options or other bilateral contracts not traded over or regulated by an exchange. Such investments are subject to the risk of nonperformance by the counterparty to the transaction including risks relating to the financial soundness and creditworthiness of the counterparty.

**Risks in General:** Securities investments are not guaranteed and you can lose money on your investments. Investors or prospective investors should carefully review the Private Placement Memorandum for any of our funds under consideration for investment for a detailed explanation of many of the risks associated with investment.

## **Item 9. Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

**Neither our firm nor our management personnel have reportable disciplinary events to disclose.**

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

In addition to providing portfolio management and related services to the private funds listed in this Brochure, James Alpha provides discretionary family office services to one of its partners for a fee. James Alpha does not otherwise offer family office services to third parties. Please see Item 11 for Code of Ethics policies that have been put in place to mitigate any conflicts of interest.

James Alpha is related through common ownership and control to James Alpha Advisors, LLC, an SEC registered investment adviser and manager to several registered

mutual funds. James Alpha is also related through common ownership and control with Global Financial Private Capital, LLC a leading provider of comprehensive fully integrated wealth management services for institutional and individual clients. James Alpha, LLC (hereinafter “the General Partner”), a Delaware limited liability company affiliated with us through common ownership and control, is the General Partner to James Alpha Sabre Dynamic Equity Master Fund, LP and the respective feeder funds.

As General Partner, James Alpha, LLC will be entitled to any incentive allocation earned pursuant to the terms and conditions set forth in the appropriate Fund offering documents. Any such allocation will ultimately inure to the benefit of the owners and stake-holders in James Alpha.

Principals of James Alpha own FDX Capital LLC, a FINRA registered broker dealer that shares its’ principal office with James Alpha. Neither James Alpha, nor any subadviser engaged on behalf of the Funds, enter trades for the Funds through FDX Capital LLC. FDX Capital LLC, however, has been engaged to provide marketing and placement services on behalf of the Funds. (Refer to Item 14 of this Brochure for additional information). James Alpha also reimburses FDX Capital for various marketing related expenses of FDX employees engaged in marketing and distributing interests in the Funds. James Alpha shares an office in Colorado with Global Financial Private Capital, LLC. Global and James Alpha operate as separate companies.

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

Our Firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm’s access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients and prospective clients, including investors and prospective investors in one or more of the Private Funds, upon request to the Chief Compliance Officer via email at [eanth@jamesalpha.com](mailto:eanth@jamesalpha.com), by phone at (720) 213-3393, or by mailing your request to the firm’s principal office address.

As disclosed at Item 5 of this Brochure, certain executive officers and/or other employees of our firm have invested or could invest a portion of their personal net worth in one or more of the Funds.

It is the expressed policy of our firm that no person employed by us should usurp an investment opportunity which can be appropriate for one or more of the Funds without first presenting the opportunity to our investment team, particularly when there is limited availability for participation in the opportunity.

As these situations represent a conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

- No officer or employee of our firm can prefer his or her own interest to that of an advisory client.
- We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations, Fund holdings or trading information. These holdings are reviewed on a regular basis by the Chief Compliance Officer.
- All of our principals and employees must act in accordance with applicable Federal and State regulations governing registered investment advisory practices.
- Any individual not in observance of the above could be subject to disciplinary action up to and including termination.

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information should not be used in a personal or professional capacity.

The Investment Advisers Act of 1940 makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, to knowingly sell any security to, or purchase any security from, a client without disclosing to the client in writing the capacity in which the adviser is acting and obtaining the client's consent to the transaction. This rule could apply to certain transactions involving accounts in which investment advisers have interests, such as private fund investments by the firm's owners, principals, or employees. The SEC has indicated that when an investment adviser and/or its controlling persons own more than 25% of a fund's outstanding securities, it would be effectively treated as a principal transaction if such an account were to engage in a trade with another client account or fund.

James Alpha has adopted specific policies and procedures for monitoring the level of proprietary ownership in each fund it manages and for obtaining the requisite consent before engaging in a transaction that would be considered a principal transaction under applicable SEC interpretations.

## **Item 12. Brokerage Practices**

James Alpha has been granted the authority to select the broker or dealer through which to place trades on behalf of the Funds through each Fund's organizational documents and agreements. In certain cases, as disclosed above, this authority is then assigned, as applicable to each subadviser. When directly executing transactions, we endeavor to select those brokers or dealers that will provide the best services at the lowest prices and commission rates possible under the circumstances. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help us in providing investment management services to clients.

Each subadviser has its own policies, practices and procedures with respect to brokerage. As part of its due diligence of subadvisers, James Alpha will generally seek to ensure that any subadviser engaged by the firm has adopted policies and procedures

reasonably designed to ensure that the subadviser will seek best execution for trades placed in client accounts and that the subadviser endeavors to select brokers, dealers or other counterparties that will provide the best services at the lowest commission rates possible under the circumstances. It should be noted, however, that we do not have any direct influence or control over any subadvisers' selection of brokers, dealers or counterparties when executing transactions.

James Alpha has no soft dollar arrangements with any broker-dealer through a subadviser engaged by the firm may.

**Trade Aggregation:** Because most of the Funds are directly managed by subadvisers, James Alpha will not typically aggregate Fund trades. However, as a general policy we seek to ensure that subadvisers have adopted a written policy to aggregate trades among their clients transacting in the same securities at roughly the same time when doing so is advantageous to the Funds.

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

In addition to our on-going due diligence and monitoring of subadvisers, James Alpha continuously monitors the underlying securities in Fund accounts and reviews these positions on a daily basis. Fund positions will be reviewed in the overall context of the Fund's investment objectives and guidelines as well as geopolitical and macroeconomic events. All reviews are conducted by one or more of the following individuals (1) Kevin Green, Managing Partner (2) James Vitalie, Vice President of James Alpha Management and (3) Michael Montague, Chief Operating Officer, (4) Bruce Terry, President.

Private Fund investors will receive unaudited monthly performance reports in accordance with the agreements and offering documents of the particular Fund.

Each Private Fund's investors will receive, as soon as practicable after the end of each taxable year (or as otherwise required by law), annual reports containing financial statements audited by the Fund's independent auditors as well as such tax information as is necessary for each investor to complete federal and state income tax or information returns, along with any other tax information required by law.

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

Other than as already disclosed at Item 10 of this Brochure, neither James Alpha, nor any officer, director or employee of the firm, receives compensation from third parties in connection with providing investment advice to its clients.

Currently, the Funds are the firm's only clients. As part of our marketing efforts, we, or the Fund General Partner, as applicable, have entered into an arrangement(s) with FDX Capital, LLC, an affiliated FINRA registered broker dealer ("FDX Capital"), to compensate FDX Capital as placement agent for referring prospective investors to the Funds. If an investor is referred to a Fund through this arrangement, we will pay the referring party a fee calculated as an agreed percentage of the investor's initial investment or an on-going, periodic fee calculated based on a percentage of the



Management Fee charged by James Alpha or a percentage of the total value of the investor's capital account. In addition, as disclosed at Item 10 of this Brochure, James Alpha also reimburses FDX Capital for various marketing related expenses of FDX employees engaged in marketing and distributing interests in the Funds.

We reserve the right to enter into additional, similar arrangements in the future. Although common, such referral arrangements do create a potential conflict of interest because, in theory, the referrer can be motivated, at least partially, by financial gain and not because the Funds are the most suitable to the prospective investor's needs.

#### **Item 15. Custody**

Because we act as investment adviser to the Private Funds and have an affiliated party who acts as General Partner to those Private Funds, we are deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, we seek to have each of the Private Funds audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). It is our policy to seek to send these audited financials to each Private Fund investor, as appropriate, within 120 days of the applicable Private Fund's fiscal year end.

#### **Item 16. Investment Discretion**

As investment adviser to the Private Funds, James Alpha is granted the discretionary authority in the relevant organizational documents and/or advisory agreements to determine which securities and the amounts of securities that are bought or sold for the Private Funds.

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

James Alpha is granted the authority and responsibility in the relevant Fund organizational documents and/or advisory agreements to vote proxies solicited by the issuers of securities held by the Funds. This authority is then assigned, as applicable, to each subadviser. With respect to any direct investments made in a client portfolio by James Alpha, the firm will vote proxies in the best interest of the Funds, typically with the goal of maximizing value for the Funds and the investors in the Funds. To that end, our firm endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the Funds' investments to increase the most or decline the least in value. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. James Alpha's complete proxy voting policy and procedures has been memorialized and is available for investors to review upon request of the Chief Compliance Officer via email at [eanth@jamesalpha.com](mailto:eanth@jamesalpha.com), by phone at (720) 213-3393, or by mailing your request to the firm's principal office address.

#### **Item 18. Financial Information**

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, and as such, we are not required to include a financial statement with this Brochure.

James Alpha has not been the subject of a bankruptcy petition at any time during the past ten years.