

Clerestory Capital Advisors, LLC
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March 31, 2011

This Brochure provides information about the qualifications and business practices of Clerestory Capital Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at +1(212)584-2020. 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.

Clerestory Capital Advisors, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Clerestory Capital Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and will provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Joanne Douvas, CCO at +1(212)584-2020.

Additional information about Clerestory Capital Advisors is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Clerestory Capital Advisors who are registered, or are required to be registered, as investment adviser representatives of Clerestory Capital Advisors.

The following is a list of material changes made to this Brochure, other those changes to the presentation and content dictated by changes in laws and regulations, as compared to the annual update previously filed on Jan 4, 2010.

None

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Advisory Business

The principal business of Clerestory Capital Advisors, LLC ("CCA"), a Delaware limited liability company, is to provide real estate investment advisory services to its clients. Currently, its sole client is Clerestory Small Cap Real Estate Fund I (the "Fund" or "CSCREF I") which has committed discretionary capital of \$138,000,000 since June 2008 and as of March 31, 2011. Clerestory Small Cap Real Estate Fund I GP, LLC, a Delaware limited liability company and an affiliate of CCA, serves as general partner of the Fund. CCA acts as investment adviser to the Fund. CCA identifies opportunistic real estate funds worldwide, direct and indirect real estate investments and limited partnership interests on the secondary market for the Fund. CCA manages the acquisition, management, monitoring and disposition of the Fund's investments. Although the Fund initially determines an investor's eligibility for investment in the Fund, the individual needs of investors in the Fund are not a basis of investment decisions by CCA. Investment advice is provided directly to the Fund on a discretionary basis and not individually to its investors. CCA intends to sponsor additional funds in the future.

CCA was formed March 29, 2007, and is wholly owned by Clerestory Capital Partners, LLC, its Managing Member. Clerestory Capital Partners, LLC is equally owned by its Managing Principals, Thomas Bolton Brown and Joanne Douvas.

Fees and Compensation

The fund(s) under CCA's management, including the Fund ("Clients"), pay some or all of the following fees to CCA:

Clerestory Small Cap Real Estate Fund I

- (i) an annual fund management fee (the "Management Fee"), paid quarterly in advance and calculated on commitment capital during the investment period and on invested capital thereafter;
- (ii) a performance fee (the "Performance Fee") calculated as a share of a portion of actual distributions.

Clients may contact CCA and its representatives with any fee-related questions. Any refunds on pre-paid fees will be made on a pro rata basis as determined by CCA in its sole discretion in accordance with the terms of any applicable limited partnership agreement.

CCA and its supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or services fees in connection with the Fund's investments.

CCA is in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act") with respect to investors for which such Rule must be complied with as provided in Section 205(b) of the Advisers Act.

Clients pay expenses normally incurred in operating a private equity style investment partnership such as professional fees, organizational expenses, investment pursuit costs, occasional brokerage costs (see the "Brokerage Practices" section of this brochure for additional information) and other administrative costs.

CCA and the Managing Directors (defined below) (by virtue of their indirect ownership of CCA and of one or more entities that serve as the managing member of certain General Partner affiliates ("GP Holding

Company Affiliates") have, collectively, an ownership interest in the Management Fees and Performance Fees paid by each Client.

The General Partner of the Fund is entitled to share in the capital appreciation or profits of the applicable private fund, as described in the Performance Fee descriptions referenced above. The General Partner may, at its discretion, directly or indirectly, make an investment in the Fund and, therefore, participates pro rata in the investments of the Fund in accordance with its capital account therein.

Performance Based Fees and Side by Side Management

CCA has entered into performance fee arrangements with qualified Clients: such fees are subject to individualized negotiation with each such client as described in each Fund's Limited Partnership Agreement. The fund(s) under CCA's management, including the Fund, pay performance fees to CCA .

All Clients pay performance fees therefore no conflicts arise regarding managing accounts that do not pay Performance Fees.

CCA will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 ("Advisers Act") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

The existence of CCA's Performance Fee may create an incentive for CCA to make more speculative investments than it would otherwise make in the absence of such performance-based payments. Investors should be aware that there will be occasions when CCA and its affiliates may encounter potential conflicts of interest in connection with an Investment. On any issue involving conflicts of interest, CCA will be guided by their good faith judgment as to a client's best interest. If any matter arises that the CCA determines in its good faith judgment constitutes an actual conflict of interest, CCA will be relieved of any responsibility for such conflict. These actions may include disposing of the investment giving rise to the conflict of interest. By acquiring an interest in an Investment, each Client will be deemed to have acknowledged the existence of any actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Performance fee arrangements can create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. CCA has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients to the extent it arises.

Types of Clients

The investment advisory services provided by CCA with respect to the Fund are to act as the investment adviser to the Fund; investment advice is provided directly to the Fund and not individually to investors in the Fund. CCA's Client is the Fund it manages. The Fund is composed of accredited investors ("Accredited Investors") as that term is defined by Rule 501 of Regulation D of the Securities Act of 1933, as amended, all of whom will be "qualified purchasers" ("Qualified Purchasers") as that term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. The investors include corporate, state and foreign pension plans.

CCA intends to sponsor additional Funds utilizing similar investment strategies and structures in the future.

Methods of Analysis, Investment Strategies and Risk of Loss

CCA's investment strategy seeks superior risk-adjusted returns by:

- (a) investing in opportunistic real estate funds worldwide that (i) expect to raise capital commitments of less than US\$1 billion (SC-Opportunistic™ Funds"), or (ii) are sponsored by first-time fund managers (together with SC-Opportunistic™ Funds, "Underlying Funds");
- (b) investing directly or indirectly in real estate investments sourced by private equity-style vehicles, whether or not the Fund has made an investment in such vehicles (each a "Co-Investment");
- (c) investing in Underlying Funds by purchasing limited partnership interests therein on the secondary market from existing investors ("Secondary Interests" and, together with Co-Investments and investments in Underlying Funds, "Investments");
- (d) investing in Underlying Funds where the potential exists to gain early access to the investment opportunity in order to influence structure, terms and economics. Where possible, CCA will seek seats on advisory committees of the underlying funds; and
- (e) managing Investments pro-actively.

A significant component of CCA's data aggregation and investment analysis will be carried out through CCA's own due diligence efforts, and in certain instances through due diligence provided by third parties at the request of CCA. Furthermore, CCA may interview or meet with the management of funds in which it intends to invest the Fund's capital, or may carry out market studies and review comparable opportunities with respect to assets in which it intends to invest. CCA has full discretion to invest Client capital.

The Fund will primarily invest its assets in Small Cap Funds globally that CCA, in its judgment, believes to have the best potential to achieve superior absolute returns for the Fund. Specifically, Clerestory will seek managers who are not afraid to pursue riskier strategies in search of alpha. It expects to make 10 to 12 primary commitments over a four-year investment period. As a secondary strategy, the Fund will invest in Co-Investments and Secondaries. The team uses a detailed top-down and bottom-up process to identify managers that can deliver superior returns. There are no investment restrictions with respect to geography or property type, but the Fund will achieve diversification through different underlying fund investments as well as through the investments by underlying funds.

Investing in securities involves risk of loss that clients should be prepared to bear. The Fund holds or will hold a non-controlling Interest in the Underlying Funds and, therefore, has or will have a limited ability to protect its position in the investments of those Underlying Funds. There can be no assurance that appropriate investor rights will be available to protect the Fund's Interest or that such rights will provide sufficient protection of the Fund's rights.

The Fund invests or may invest in Underlying Funds investing in Emerging Markets where it may not be practicable to provide currency hedges and therefore there is a risk of loss from currency fluctuations. The success of the Fund is substantially dependent on the Fund's key personnel. Should one or more of these individuals become incapacitated or in some other way cease to participate in the Fund, its performance could be adversely affected. Additional information regarding material risks associated with the strategies employed by CCA may be found in private placement memoranda prepared in connection

with the offering of the Fund and prospective funds, and provided to the legal representative of the Fund and eligible, potential investors.

The Fund will be required to indemnify the General Partner, the Manager, members of the Advisory Committee, members of the Investment Committee, and each of their respective members, officers, directors, employees, shareholders and partners for liabilities incurred in connection with the affairs of the Fund. Such liabilities may be material. The indemnification obligation of the Fund would be payable from the assets of the Fund, including the Unfunded Commitments of the Limited Partners. In the event that the Fund is unable otherwise to meet its obligations, Limited Partners may be required to repay to the Fund, or to pay to creditors of the Fund, distributions previously received by them. In addition, Limited Partners may be required to pay to the Fund amounts which are required to be withheld by the Fund for tax purposes.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CCA or the integrity of CCA's management. CCA has no information applicable to this Item.

Other Financial Industry Activities and Affiliations

Thomas B. Brown has been a Registered Representative of the broker-dealer Sword Securities Corporation from 1998 to the present time. His affiliation with this firm does not create a material conflict of interest with the business activities of CCA and the servicing of its Clients.

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

CCA recognizes the importance of high ethical standards in the conduct of its business and requires that its Code of Ethics (the "**Code**") be observed by each Access Person (defined below). CCA will provide clients and prospective clients with a copy of its Code upon request.

Purpose

The Code has been adopted by the Funds and Clerestory and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

The basic tenets of the Rule are as follows:

It is unlawful for any Access Person, in connection with the purchase or sale, directly or indirectly, by such person of a Security Held or to be Acquired by the Funds:

- to employ any device, scheme or artifice to defraud the Funds,
- to make to the Funds any untrue statement of a material fact or to omit to state to the Funds a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, or
- to engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon the Funds, or to engage in any manipulative practice with respect to the Funds.

Definitions

- "Access Person" means any manager, officer, trustee, general partner, or Advisory Person of the Funds or Clerestory.

- “Advisory Person” means (1) any employee of the Funds or Clerestory, or of any company in a control relationship to the Funds or Clerestory, who, in connection with his or her regular functions or duties, makes, participates in, or obtains information regarding the purchase or sale of a Security by the Funds, or whose functions relate to the making of any recommendations with respect to such purchases or sales and (2) any natural person in a control relationship to the Funds or Clerestory who obtains information concerning recommendations made to the Funds or Clerestory with regard to the purchase or sale of a Security.
- “Independent Manager” is anyone who sits on the Board of Managers of the Funds and who has no relationship with the Funds other than that of Manager, and who is not otherwise classifiable as an Access Person or an Advisory Person; and who is not an “interested person” of the Funds within the meaning of Section 2(a)(19) of the 1940 Act.
- “Investment Personnel” means (1) any employee of the Funds or Clerestory (or of any company in a control relationship to the Funds or Clerestory) who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities by the Funds and (2) any natural person who controls the Funds or Clerestory and who obtains information concerning recommendations made to the Funds regarding the purchase or sale of securities by the Funds.
- A Security is “being considered for purchase or sale” when a recommendation to purchase or sell a Security has been made and communicated or, with respect to the person making the recommendation, when such person considers making such a recommendation or when there is any outstanding order to purchase or sell that security.
- “Control” means the power to exercise a controlling influence over the management or policies of the Funds or Clerestory. See Section 2(a)(9) of the 1940 Act.
- “Beneficial Ownership” means ownership of securities or securities accounts by or for the benefit of a person, or such person's “family member,” including any account in which the person or family member of that person holds a direct or indirect beneficial interest, retains discretionary investment authority or exercises a power of attorney. The term “family member” means any person's spouse, child or other relative, whether related by blood, marriage, or otherwise, who either resides with, is financially dependent upon, or whose investments are controlled by that person. The term also includes any unrelated individual whose investments are controlled and whose financial support is materially contributed to by that person, such as a “significant other.”
- “Security” shall have the meaning set forth in Section 2(a)(36) of the 1940 Act, except that it shall not include shares of registered open_end investment companies, securities issued by the Government of the United States, short term debt securities which are “government securities” within the meaning of Section 2(a)(16) of the 1940 Act, bankers' acceptances, bank certificates of deposit, commercial paper and high quality short_term debt instruments, including repurchase agreements.
- “Initial Public Offering” means an offering of securities registered under the Securities Act of 1933, as amended, the issuer of which, immediately before the registration, was not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended.
- “Limited Offering” means an offering that is exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 4(2) or Section 4(6) or pursuant to Rule 504, 505 or 506 under the Securities Act of 1933, as amended.
- “Purchase or Sale of a Security” includes, among other things, the writing of an option to purchase or sell a Security.
- “Security Held or to be Acquired” by a Fund means any Security which, within the most recent 15 days, (1) is being or has been held by such Fund, or (2) is being or has been considered by such Fund or Clerestory for purchase by such Fund.

- “Compliance Officer” shall mean, with respect to the Funds or Clerestory, the person appointed by the Managers of the Funds or the board of Clerestory, as the case may be, to administer the Code and shall include other person(s) designated by the Compliance Officer to administer the Code.

Compliance Procedures

Conflicts of Interest

Each Access Person has the duty to disclose to the Funds and Clerestory, as the case may be, any interest whatsoever that he or she may have in any firm, corporation or business unit with which he or she is called upon to deal as part of his or her assigned duties with the Funds or Clerestory, or any other activity that the Access Person reasonably believes presents a potential conflict of interest. This disclosure should be timely so that the Funds or Clerestory may take such action concerning the conflict as deemed appropriate by the Compliance Officer or the General Counsel of Clerestory.

Gifts

Access Persons may not accept any fee, commission, gift, or services, other than *de minimus* gifts, from any persons or entities doing business with or on behalf of the Funds.

Initial Public or Limited Offerings

Investment Personnel must obtain prior approval from the Compliance Officer before directly or indirectly acquiring Beneficial Ownership in any securities in an Initial Public Offering or in a Limited Offering.

Purchases or Sales by Investment Personnel

No Investment Personnel may purchase an interest in a private investment fund without the prior approval of the Compliance Officer.

Sanctions

If the Compliance Officer discovers that an Access Person has violated any provision of the Code, Clerestory may impose such sanctions as he or she deems appropriate, including, but not limited to, a letter of censure, suspension with or without pay, or termination of employment. Any such violation shall be reported to the Managers of a Fund at the next meeting of the Managers occurring after the Compliance Officer becomes aware of the violation. Any profits realized on personal transactions in violation of the Code must be disgorged in a manner directed by Clerestory.

Reporting and Monitoring

Reporting Requirements

Every employee shall provide initial and annual holdings reports and quarterly transaction reports to the Compliance Officer which must contain the information provided below.

1. Initial Holdings Report

Every employee shall, no later than ten (10) days after the person becomes a employee, file an initial holdings report. The information submitted must be current as of a date no more than forty-five (45) days before the person became an employee. The report must include all brokerage accounts in the name or for benefit of a spouse and/or children as applicable.

2. Annual Holdings Report

Every employee shall, no later than January 30 each year, file an annual holdings report containing the same information required in the initial holdings report. The information submitted must be current as of a date no more than forty-five (45) days before the annual report is submitted.

The submission of the December brokerage statements for all brokerage accounts is required for the Annual Holdings Report and can satisfy your reporting requirement as long as all of the applicable information required above is provided in the statements.

3. Quarterly Transaction Reports

Every employee must, no later than thirty (30) days after the end of each calendar quarter, file a quarterly transaction (Exhibit J) report containing the following information:

With respect to any transaction during the quarter in a reportable security in which the employees had any direct or indirect beneficial ownership:

- The date of the transaction, the title and exchange ticker symbol or CUSIP number, the interest rate and maturity date (if applicable), the number of shares and the principal amount (if applicable) of each covered security;
- The nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition);
- The price of the reportable security at which the transaction was effected;
- The name of the broker, dealer or bank with or through whom the transaction was effected; and
- The date the report is submitted by the employee.

Employees must submit the transaction section of their brokerage statements highlighting the transactions that have taken place during the quarter.

4. Exempt Transactions

A employee need not submit a report with respect to:

- Transactions effected for, securities held in, any account over which the person has no direct or indirect influence or control;
- Transactions effected pursuant to an automatic investment plan;
- A quarterly transaction report if the report would duplicate information contained in securities transaction confirmations or brokerage account statements that Clerestory holds in its records so long as the firm receives the confirmations or statements no later than 30 days after the end of the applicable calendar quarter;
- Any investment account in which the employee has no ability to transact in individual securities.

5. Monitoring and Review of Personal Securities Transactions

The Compliance Officer or a designee will monitor and review all reports required under the Code for compliance with Clerestory's policies regarding personal securities transactions and applicable SEC rules and regulations. The Compliance Officer may also initiate inquiries of employees regarding personal securities trading. Employees are required to cooperate with such inquiries and any monitoring or review procedures employed by Clerestory. Any transactions for any accounts of the Compliance Officer will be reviewed and approved by the President or other designated supervisory person. The Compliance Officer shall at least annually identify all employees who are required to file reports pursuant to the Code and will inform such employees of their reporting obligations.

The managers directors and employees of CCA through the General Partner of the Fund may co-invest in the Fund. This is the only circumstance in which the Managing Directors or employees may buy or sell securities in which the Fund has an interest. This co-investment opportunity can create conflicts of interest between the Managing Directors and employees and the Fund. CCA has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among relevant parties.

Brokerage Practices

As CCA is exclusively investing on behalf of its clients in non-publicly traded private equity style partnerships, there are no related soft dollar practices or clearing of trades through broker dealers. If the Fund were to receive a distribution in kind from a sale of stock it might be required to engage a broker to

execute a sale of the security. Where CCA must engage a broker, it will aim to place orders with brokers on the best available terms, taking into account the relevant market at the time of the transactions of the kind and size concerned. When evaluating trades to ensure best execution, CCA would take into account the price of the financial instrument, transaction costs, speed, likelihood of execution and settlement size, nature and any other consideration relevant to the execution of the order. The best possible result for a particular transaction will be determined by the relative importance given by CCA to these factors.

Review of Accounts

The Managing Directors of CCA, Thomas B. Brown and Joanne Douvas, (the "Managing Directors") are the individuals primarily responsible for the review of investment positions. Such reviews are carried out at least quarterly. CCA has full discretion to invest the capital of the CSCREF I in underlying real estate funds and other direct investment in real estate assets. These investments receive frequent monitoring of their performance, management actions and investment strategies. Accounts will be reviewed on a non-periodic basis if any of the following factors are present: an extraordinary event occurs resulting in a material change in value for the investments held in the account.

CCA prepares periodic reports for each investor in a CCA managed fund, detailing the performance and composition of the fund(s) in which they have invested. Such reports are prepared and issued quarterly. All such funds are subject to annual review by independent registered public accounting firm, with the consequence that annual audited financial statements are produced for each.

Client Referrals and Other Compensation

CCA's compliance policies and procedures prohibit any relationships where it will compensate any person or entity for client referrals. Furthermore, CCA does not receive an economic benefit from any third party for providing investment advice or other advisory services to our clients.

Custody

CCA provides quarterly statements to its Clients as well as annual audited financial statements within 180 days of the Fund's year end, December 31, 2010.

Investment Discretion

CCA has full discretionary authority over client accounts but may in the future enter into arrangements with investors where CCA will not have full discretion.

Voting Client Securities

CCA provides investment advisory services to private investment funds (each a "Fund and, collectively, the "Funds") whose investment program primarily involves investing Fund assets in Real Estate private equity type vehicles generally through privately negotiated transactions. These vehicles may from time to time hold interests in securities in which proxy voting is applicable. Policies and procedures have been adopted because CCA may be deemed to have authority to vote proxies relating to the portfolio companies in which the Funds invest on behalf of its clients, the Funds.

The general partner of each Fund is responsible for the management, policies and operations of the Fund acting pursuant to and in accordance with the Fund's partnership agreement. Pursuant to an Investment

Advisory Agreement, Clerestory generally originates and recommends to the Fund investment opportunities, monitors and evaluates investments and provides other related services as the Fund may reasonably request. To the extent CCA exercises or is deemed to be exercising voting authority over the Fund securities, it shall vote securities in accordance with these proxy voting policies and procedures (the "Policies").

The Policies attempt to generalize a complex subject. CCA may from time to time, determine that it is in the best interest of a Fund to depart from specific policies described herein. The rationale for any such departure will be memorialized in writing by the Compliance Officer.

CCA's clients or prospective clients may request a copy of the firm's proxy voting policies by contacting Joanne Douvas, CCO.

Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about CCA's financial condition. CCA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.