

Item 1: Cover Page

SKYBRIDGE CAPITAL II, LLC

DISCLOSURE BROCHURE

SkyBridge Capital II, LLC
527 Madison Avenue
New York, NY 10022
(212) 485-3100

Contact Person: A. Marie Noble, Esq.
(212) 485-3129; mnoble@skybridge.com

Website: www.skybridge.com

March 31, 2023

This brochure provides information about the qualifications and business practices of SkyBridge Capital II, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 485-3100 or mnoble@skybridge.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

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

SkyBridge Capital II, LLC is an investment adviser registered with the SEC.
Registration with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

The following material change occurred since the annual update of this brochure on March 31, 2022, as updated on September 7, 2022:

The Board of Directors of Legion Strategies, Ltd. (“Legion”), in consultation with SkyBridge Capital II, LLC (“SkyBridge”), its investment adviser, suspended the determination of Legion’s net asset value and right to redeem shares pursuant to Articles 32(2) and 33(5) of its Memorandum & Articles of Association (the “Articles”) and Confidential Offering Memorandum in light of difficult market conditions and corresponding reduction in the liquidity of Legion’s holdings. Because the investable assets of the SkyBridge Japan Strategy Unit Trust (formerly known as SkyBridge Legion Strategies Unit Trust) (the “Trust”) referable to the Class Q-1 Units and Class ID Units are substantially invested in Legion, the Board of Trustees of the Trust in turn suspended the right to redeem units of the Trust pursuant to the Trust’s Trust Deed dated February 14, 2014. Finally, the SkyBridge Coin Master Fund LP general partner suspended all voluntary withdrawals by limited partners, including its feeder funds SkyBridge Coin Fund LP and SkyBridge Coin Fund Ltd., as of January 6, 2023, given extreme digital asset market conditions following the FTX bankruptcy.

.....

Additional information about SkyBridge, including a full copy of its current brochure, is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 3: Table of Contents

<u>Item</u>	<u>Page</u>
Item 1: Cover Page	1
Item 2: Material Changes.....	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation.....	7
Item 6: Performance-Based Fees and Side-By-Side Management	11
Item 7: Types of Advisory Clients.....	14
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	15
Item 9: Disciplinary Information	31
Item 10: Other Financial Industry Activities and Affiliations	32
Item 11: Code of Ethics, Participation or Interest in Advisory Client Transactions and Personal Trading	33
Item 12: Brokerage Practices	35
Item 13: Review of Accounts	37
Item 14: Advisory Client Referrals and Other Compensation.....	38
Item 15: Custody.....	39
Item 16: Investment Discretion.....	40
Item 17: Voting Advisory Client Securities.....	41
Item 18: Financial Information	43

Item 4: Advisory Business

SkyBridge Capital II, LLC (“SkyBridge”) is an alternative investment management firm that provides discretionary investment management and advisory services, together with investment management products, to Advisory Clients (as defined in this Item 4). As of December 31, 2022, SkyBridge managed approximately \$2.0 billion in net assets for Advisory Clients on a discretionary basis.

The services and products offered and managed by SkyBridge primarily consist of investment management and advisory services, custom investment portfolios and commingled products in the hedge fund, digital asset, private equity and real estate sectors. Investments where SkyBridge serves as investment adviser are structured as (i) “funds-of-funds” (i.e., funds that seek to achieve their investment objective(s) by investing substantially all of their assets in hedge funds or closed-end funds) and (ii) direct investment funds (i.e., funds that seek to achieve their investment objective(s) by investing directly in securities and/or other instruments, including digital assets). These funds (i) are registered under the Investment Company Act of 1940, as amended (the “1940 Act”) as open-end or closed-end management investment companies or (ii) rely on an exemption from registration under Section 3 of the 1940 Act. Funds operating as 1940 Act registered investment companies may be sold to retail investors, while funds not so registered may only be offered to qualifying investors, in each case as described in the funds’ offering materials and otherwise in compliance with applicable law.

SkyBridge has been providing investment management and advisory services since July 2008, including as a result of the assumption of certain investment management and advisory contracts assigned by (i) its affiliate, SkyBridge Capital LLC, as of June 1, 2009 and (ii) Citigroup Alternative Investments LLC as of June 30, 2010, as part of the acquisition of its Hedge Fund Management group by SkyBridge. SkyBridge’s predecessor, SkyBridge Capital LLC, began providing investment management and advisory services in November 2005. SkyBridge is principally owned by its founder, Anthony Scaramucci, together with Island Bay Ventures, Inc. (“Island Bay”) (which is ultimately beneficially owned by Samuel Bankman-Fried), Brett S. Messing, Prowes Holding S.A. (“Prowes”), a diversified holding company with interests in various sectors, and Raymond C. Nolte. The business and affairs of SkyBridge are managed exclusively by or under the direction of its Board of Managers (the “Board of Managers”), comprised of Messrs. Scaramucci, Messing and Nolte and a representative of Prowes. The Board of Managers may exercise all of the powers of SkyBridge, except as otherwise provided by law or its governing document. Island Bay is not represented on the Board of Managers and has no influence or control rights over SkyBridge’s operations.

Affiliates of SkyBridge may act as the general partner or managing member of limited partnerships or limited liability companies sponsored by SkyBridge, while those structured as corporations are typically managed by a board of directors composed of a majority or exclusively of persons not affiliated with SkyBridge. Each of the SkyBridge managed funds registered under the 1940 Act has a board of directors/trustees composed of at least a majority of “non-interested persons,” as defined in the 1940 Act.

SkyBridge’s team of professionals provides investment analysis and support services from its headquarters in New York and from its office in Florida.

SkyBridge Funds-of-Funds

A significant portion of SkyBridge’s Advisory Clients are “funds-of-funds”, meaning they pursue their investment objectives by investing primarily in hedge funds or closed-end funds (collectively, “Investment Funds”) managed by unaffiliated investment managers (each, an “Investment Manager”), as well as Investment Funds managed by SkyBridge to a lesser extent, that employ a variety of alternative investment strategies, as identified by SkyBridge using its investment process discussed in greater detail in Item 8 of

this brochure. Conflicts of interest are presented by “funds-of-funds” investments in Investment Funds managed by SkyBridge, as described in Item 6 of this brochure, which investors are encouraged to review.

Investment strategies generally, but not always, allow Investment Managers the flexibility to use leveraged or short-sale positions to take advantage of perceived inefficiencies across the global capital markets and are referred to as “alternative” strategies. Because Investment Funds following alternative investment strategies (whether hedged or not) are often described as “hedge funds,” such Advisory Clients are referred to as SkyBridge “funds-of-funds”. The Investment Funds may provide exposure to one or more instruments, including but not limited to equities, debt, structured products, digital assets (digital assets include “virtual currencies,” “cryptocurrencies,” “coins,” “tokens” or similar assets that are issued and/or transferred using technological innovations such as distributed ledger or blockchain technology), derivatives, real estate and other alternative assets. To a lesser extent, the SkyBridge “funds-of-funds” make private investments in emerging portfolio companies (e.g., venture capital and growth equity investments), including in companies providing technologies related to digital assets. On occasion, SkyBridge “funds-of-funds” may purchase and hold publicly traded equities.

SkyBridge seeks to employ a combination of a top-down and bottom-up investment approach, with the goal of identifying attractive Investment Funds that fit into one or more investment themes it identifies. SkyBridge considers a theme to be a market or economic development that it believes is likely to drive profits, typically because SkyBridge believes that the impact of the chosen theme on the pricing of particular market instruments or segments is not fully appreciated.

SkyBridge “funds-of-funds” may seek to gain investment exposure to Investment Funds or Investment Managers that enter into derivative transactions, such as total return swaps, options and futures. Derivative instruments, consisting of futures, swaps and options, present risks and opportunities described in the offering materials for such funds. While these instruments can be significant components of the investment programs of the Investment Funds in which the SkyBridge “funds-of-funds” invest, it is presently contemplated that the “funds-of-funds” will not enter directly into derivatives transactions to a significant degree.

As of the date of this brochure, SkyBridge manages the following “funds-of-funds”, certain of which operate as part of a “master-feeder” fund structure: (i) SkyBridge Multi-Adviser Hedge Fund Portfolios LLC (“Series G”); (ii) SkyBridge GII Fund, LLC (“GII”); (iii) Legion Strategies, Ltd. (“Legion Strategies”); (iv) SkyBridge Japan Strategy Unit Trust (formerly known as SkyBridge Legion Strategies Unit Trust); (v) SkyBridge Japan Strategy Unit Trust II; and (vi) SkyBridge Japan Strategies SPC (together, the “SkyBridge Funds-of-Funds” and, together with the SkyBridge Venture Funds (as defined below) and the SkyBridge Digital Funds (as defined below), the “SkyBridge Funds”). Series G and GII, which operate as closed-end management investment companies registered under the 1940 Act, are each referred to as a “1940 Act Fund” in this brochure.

On a limited basis, SkyBridge provides “fund-of-funds” investment management services to separately managed account(s) owned by institutions and high net worth individuals (“Managed Accounts” and, together with the SkyBridge Funds, “Advisory Clients”).

SkyBridge Direct Investment Funds

In addition to the SkyBridge Funds-of-Funds, SkyBridge structures and manages direct investment vehicles, where SkyBridge formulates and executes upon trading and investment advice in its capacity as investment manager to the vehicle, using its investment process discussed in greater detail in Item 8 of this brochure.

SkyBridge Venture Funds. Certain vehicles seek direct or indirect exposure to individual private companies. At present, these vehicles are: SkyBridge Chime LP, SkyBridge Klarna LP, SkyBridge Plaid LP, SkyBridge Genesis LP, SkyBridge Kraken LP, SkyBridge BTC Mining LP, SkyBridge Helium LP and SkyBridge FTX LP, each a privately placed Delaware limited partnership managed by SkyBridge, for which a SkyBridge affiliate serves as general partner (together, the “SkyBridge Venture Funds”). The first SkyBridge Venture Fund launched in the fourth quarter of 2020. These funds were made available exclusively to “qualified purchasers” under the 1940 Act and rely on the Section 3(c)7 exemption from registration thereunder.

SkyBridge Digital Funds. SkyBridge also structures and manages direct investment vehicles that invest in digital assets. At present, these vehicles are each of SkyBridge Coin Fund, LP, a Delaware limited partnership “feeder fund” and SkyBridge Coin Fund, Ltd., a Cayman Islands exempted limited company “feeder fund” which together invest substantially all of their assets in SkyBridge Coin Master Fund LP, a Cayman Islands exempted limited partnership (together, the “SkyBridge Coin Fund”, and together with any future funds investing in digital assets, the “SkyBridge Digital Funds”).

Legion Strategies, which is a SkyBridge Fund-of-Funds, gains exposure to digital assets by investing in, among other things, the following funds managed by SkyBridge as of the date hereof: First Trust SkyBridge Ethereum Fund LP (the “Ethereum Fund”) and SkyBridge Coin Fund, Ltd. (any such fund managed by SkyBridge and invested in by a SkyBridge Fund, an “Affiliated Fund”). As of February 1, 2023, approximately 19% of Legion Strategies’ net asset value was represented by investments in Affiliated Funds. This number may increase in the future, and the increase could be significant. While investments by Legion Strategies in Affiliated Funds may enable SkyBridge to offer a broader array of investment strategies than would otherwise be possible, such investments present conflicts of interest. See Item 6 of this brochure.

Sub-Advisory and Portfolio Consultant Roles

SkyBridge serves as an investment sub-advisor to the First Trust SkyBridge Crypto Industry and Digital Economy ETF (the “CRPT ETF”), a series of First Trust Exchange-Traded Fund VIII, organized as a separate series of a 1940 Act registered management investment company advised by First Trust Portfolios LP. SkyBridge serves as portfolio consultant to the SkyBridge Digital Innovation Portfolio Series of a 1940 Act registered unit trust series sponsored by First Trust Portfolios LP (the “Digital Unit Trust”).

Other Roles

SkyBridge sponsors certain investment products that do not invest in “securities”, as defined under applicable law: (i) SkyBridge serves as external adviser to SkyBridge Opportunity Zone Real Estate Investment Trust, Inc. (“SOZ REIT”) and (ii) SkyBridge serves as manager to the First Trust SkyBridge Bitcoin Fund LP (the “Bitcoin Fund”) and the Ethereum Fund. SOZ REIT intends to operate as a real estate investment trust under the U.S. Internal Revenue Code of 1986, as amended (the “Code”) and invests in “qualified opportunity zone property” as defined by the Code and regulations issued by the U.S. Department of the Treasury. The Bitcoin Fund invests exclusively and directly in Bitcoin, the largest and most liquid digital asset, while the Ethereum Fund invests in Ether, the native token of the Ethereum network. SkyBridge intends to wind-up and dissolve the Ethereum Fund as of March 31, 2023. Because they do not invest or trade in “securities”, as defined under applicable law, none of SOZ REIT, the Bitcoin Fund nor the Ethereum Fund is considered to be subject to registration as an “investment company” under the 1940 Act nor is SkyBridge subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) or acting in its capacity as SEC registered investment adviser with respect to those funds. Information on these funds is provided herein for informational purposes only.

Suspension of Redemptions

Legion's Board of Directors, in consultation with SkyBridge, suspended the determination of Legion's net asset value and right to redeem shares pursuant to Articles 32(2) and 33(5) of its Memorandum & Articles of Association (the "Articles") and Confidential Offering Memorandum in light of difficult market conditions and corresponding reduction in the liquidity of Legion's holdings. Because the investable assets of the SkyBridge Japan Strategy Unit Trust (formerly known as SkyBridge Legion Strategies Unit Trust) (the "Trust") referable to the Class Q-1 Units and Class ID Units are substantially invested in Legion, the Board of Trustees of the Trust in turn suspended the right to redeem units of the Trust pursuant to the Trust's Trust Deed dated February 14, 2014. Finally, the SkyBridge Coin Master Fund LP general partner suspended all voluntary withdrawals by limited partners, including its feeder funds SkyBridge Coin Fund LP and SkyBridge Coin Fund Ltd., as of January 6, 2023, given extreme digital asset market conditions following the FTX bankruptcy.

Item 5: Fees and Compensation

SkyBridge offers discretionary investment management and advisory services for a percentage of assets under management, a fixed fee or fees based on performance as described below and further in Item 6. For SkyBridge Funds that are not 1940 Act Funds, fees and minimum investment requirements may be waived, reduced or calculated differently with respect to investors at the sole discretion of SkyBridge, as permitted by the SkyBridge Fund's offering documentation. For SkyBridge Funds that are 1940 Act Funds, no management fee or minimum initial investment requirements may be waived, reduced or calculated differently.

As among SkyBridge Funds, fees differ based upon a number of factors, including the nature of the fund (for example, 1940 Act Funds have limitations on the types of fees that may be charged) and the trading strategy. Further, complexity and investor demand are key drivers of SkyBridge's fees and compensation for its management of SkyBridge Funds. With the Managed Accounts, fees may differ based upon a number of factors, including without limitation, account complexity and size, assets under management and requested commercial terms which are subject to negotiation.

SkyBridge may in the future charge other types of fees and use different fee structures, including variations of performance or incentive fees and allocations.

Investment Management Fees and Performance Fees and Allocations

SkyBridge Funds pay SkyBridge management fees based on assets under management and, for certain SkyBridge Funds and Managed Accounts, an additional performance fee or allocation determined as a percentage of profits, with performance fees or allocations subject to a "high water mark". Investors in the SkyBridge Funds bear their pro rata portions of such fees and allocations, which are non-negotiable. In certain cases, SkyBridge may agree to waive part or all of the asset-based fee and/or reimburse the SkyBridge Fund, to the extent necessary to prevent the SkyBridge Fund's ordinary expenses from exceeding an agreed amount. The amounts of such fees and allocations are described in detail in the offering documents for each SkyBridge Fund, and investors or potential investors should review those materials carefully when making their investment decisions.

SkyBridge Funds-of-Funds. Management fees payable by SkyBridge Funds-of-Funds range at present from 0.60% to 1.20% per annum of assets under management and from 0% to 10% of profits in respect of performance fees or allocations.

Direct Investment Funds. Investors in SkyBridge Venture Funds paid a one time purchase fee on the portion of their capital contribution that was invested in the Venture Fund's underlying asset, with such amounts having ranged from 4.3% to 7.5% of capital contributions. Performance allocations payable to the SkyBridge affiliated general partner are 20% of profits, in some instances over a preferred return. The SkyBridge Coin Fund pays a fixed fee for management services to SkyBridge equal to 2% on the aggregate balance of the master fund capital account and a 20% incentive allocation payable to the SkyBridge affiliate that serves as master fund general partner. Fees and incentive allocations are waived for SkyBridge employees in the SkyBridge Coin Fund.

Managed Accounts. Management fees payable by Managed Accounts are based on assets under management. The amount of such fees are set forth in the investment advisory agreements for the Managed Account, and is currently 0.95% per annum of assets under management in respect of the asset-based fee for the presently advised Managed Account. There are no current arrangements for performance fees, which are typically determined as a percentage of profits.

For SkyBridge Funds-of-Funds and Managed Accounts, management fees are billed monthly or quarterly in arrears based on the amount of assets under management. For SkyBridge Digital Funds, management fees are billed quarterly in advance. In all cases, such amounts are paid indirectly by investors on a pro rata basis as a Fund expense. Fees will be prorated for any beginning or ending period of a contract that is less than a full billing period. An initial fee will be calculated as of the date that SkyBridge accepts an individual Advisory Client agreement between a Managed Account and SkyBridge (a "Advisory Client Agreement") or enters into an investment management or advisory agreement with a SkyBridge Fund. This initial fee will cover the period from the date on which the agreement is entered into until the last day of the initial billing period. The monthly or quarterly fees will be billed to each Advisory Client as they become due and payable.

If an Advisory Client Agreement or investment management or advisory agreement is terminated, SkyBridge will typically be entitled to fees earned through the effective date of termination, or such longer period as may be agreed by the parties, and will provide the counterparty with a refund, if any, of any additional fees paid in advance. Refunds are typically based on the number of days remaining in the calendar quarter after the date upon which notice of termination is received.

The foregoing is current as of the date of this brochure. SkyBridge may sponsor funds in the future with varying fee, incentive allocation, payment and termination terms.

SOZ REIT charges a 1.75% per annum management fee, subject to an operating expense cap, payable as of the close of business on the last day of the applicable calendar month. SOZ REIT will pay an incentive fee to SkyBridge equal to 15% of any profits above a 5% annualized internal rate of return hurdle, to become due once investments have been liquidated or sold. The Bitcoin Fund and the Ethereum Fund pay, monthly in advance, a .75% and 1.00% per annum management fee to SkyBridge, with no incentive allocation.

Other Fees

Custodians (including banks or registered broker-dealers) will be used to facilitate the management of Advisory Client assets. Please refer to Item 15 of this brochure for additional information about custody of Advisory Client assets. The cost of these services is not included in the management fees described above. Advisory Clients, directly in the case of Managed Accounts and indirectly in the form of a fund expense in the case of SkyBridge Funds, will be responsible for paying any such additional costs charged by custodians. The management fees charged by SkyBridge also do not include the amount of any costs,

expenses or commissions that a broker or dealer may charge in connection with transactions executed on behalf of Advisory Client accounts. See Item 12 of this brochure.

In addition, a custodian or registered broker may impose certain costs or charges associated with servicing Advisory Client accounts, such as margin interest, costs relating to exchanging foreign currencies, odd lot differentials, regulatory fees (e.g., fees charged by the Securities and Exchange Commission (“SEC”)) transfer taxes, exchange fees, wire transfer fees, postage fees, auction fees, foreign clearing, settlement and custodial fees, and other fees or taxes required by law.

SkyBridge Funds bear other fees and expenses, which vary by Fund, including but not limited to the following: administration and servicing, research, accounting and tax, including tax advisory, audit, broker, legal, valuation, risk aggregation software, regulatory and self-regulatory compliance, including third-party compliance and regulatory consultants incurred in connection with designing, implementing and monitoring compliance and operational programs and consulting services related to regulatory examinations, insurance costs, custody costs, the costs of printing and mailing reports, costs and expenses associated with credit facilities, as well as costs and expenses of ongoing investor servicing and support and costs of the continuing offering of shares, including costs of preparing, printing and distributing offering memoranda and supplements thereto, and other sales material and other related sales expenses and expenses related to boards of directors. Transaction related expenses payable by SkyBridge Funds are expenses related to the direct investment transactions of the SkyBridge Funds, including, but not limited to, brokerage commissions, prime brokerage charges, exchange, regulatory and user fees, interest expense on margin accounts and other indebtedness, borrowing charges on securities sold short, bank service fees, withholding and transfer fees, clearing and settlement charges, professional fees (including, without limitation, expenses of consultants and experts) relating to investments, and expenses (including travel expenses) incurred in connection with negotiating agreements with, and auditing the performance of and otherwise doing initial and ongoing due diligence on, existing and prospective underlying Investment Managers, including ongoing data aggregation and/or risk reporting service costs. SkyBridge Funds also may incur extraordinary expenses, including litigation expenses, government fees and taxes, if any, and indemnification obligations. The foregoing is intended as a summary only, and investors in the SkyBridge Funds are requested to refer to the applicable funds’ prospectus or offering documents for complete information on all fees and expenses.

When certain expenses are incurred in common, SkyBridge attempts to allocate such expenses in a fair and equitable manner. Typically, an expense item is allocated equally among Advisory Clients benefiting from such expense item and at times the allocation decision will reflect judgments on the part of SkyBridge. Certain expenses may be absorbed by SkyBridge depending on the Advisory Client’s agreement with SkyBridge or at SkyBridge’s discretion across all accounts. While an allocation can have the effect of reducing expenses that an Advisory Client might otherwise be required to pay in full, it may also result in differences in the relative cost and benefits across accounts.

Under the terms of Administrative and Investor Services Agreements entered into separately between SkyBridge and each of Series G, GII and Legion Strategies, as approved by each fund’s Board of Directors, SkyBridge is responsible, directly or through its agents, for among other things which differ by fund, certain compliance, board administration, regulatory, general business, operational and investor servicing matters. In consideration of the services provided, SkyBridge is paid an annual fee calculated as a percentage of the relevant SkyBridge Fund’s net assets, which provides for “breakpoints” (or fee reductions) at increasing asset levels of Series G and GII. Currently, for Series G and GII, the fee is equal to approximately 0.20% of the first \$5 billion of average net assets, subject to a cap of \$4 million per annum, .08% of the next \$1.5 billion of average net assets in excess of \$5 billion, .07% of the next \$1.5 billion of average net assets in excess of \$6.5 billion, and .06% of average net assets in excess of \$8 billion. The fee

is currently waived for GII. Legion Strategies pays a fee equal to 0.20% of average net assets of Series Q-1, Series R, Series D and Series SB, and 0.05% of average net assets of Series ID and Series ID-2 for administrative and investor services.

Series G pays an account servicing fee to its principal underwriter, Hastings Capital Group LLC (“Hastings”), a SkyBridge affiliate, consisting of compensation for services provided to Series G shareholders (including sub-accounting and other administrative services, as well as shareholder liaison services such as responding to inquiries from shareholders and providing shareholders with information about their investments in the fund) and for distribution support. Hastings, in turn, pays all or a portion of the account servicing fee to each placement agent that sells Series G shares, and retains fees for those shareholders that it has directly placed. In addition, Series G and GII each pay a fee to Hastings to serve as principal underwriter.

SkyBridge’s management fees do not cover “mark-ups” and “mark-downs” that broker-dealers may receive, “dealer spreads” that broker-dealers may receive when acting as principal in certain transactions, the amount of any annual retirement plan fees or the fees and expenses an Advisory Client may incur as a shareholder of, or investor in, an Investment Fund. In the case of SOZ REIT, the Bitcoin Fund and the Ethereum Fund, investors pay different shareholder servicing fees imposed by broker-dealers who sell the fund, including Hastings, as described in detail in the offering materials and subscription agreement.

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

SkyBridge Funds and Managed Accounts are charged by SkyBridge a combination of asset-based and, in certain cases, performance fees or allocations which may be subject to a hurdle and subject to waiver at SkyBridge's discretion. Performance fees charged by SkyBridge comply with the requirements of Section 205 of the Advisers Act and the applicable rules thereunder. SkyBridge may, in the future, charge other types of fees and use different fee structures.

Conflicts of Interest. Conflicts of interest arise from SkyBridge's management of SkyBridge Funds, including Affiliated Funds, Managed Accounts and other accounts.

Allocations of Investments. Conflicts of interest arise with the allocation of limited investment opportunities between and among Advisory Clients. Allocations of limited investment opportunities raise a potential conflict of interest to the extent that SkyBridge may have an incentive to allocate investments that are expected to increase in value to preferred accounts, including accounts with higher fee structures or performance-based fees or accounts that have been underperforming in an investment strategy. SkyBridge has policies and procedures in place to address and mitigate these conflicts. SkyBridge seeks to allocate investment opportunities, and otherwise treat all of its Advisory Clients, in a manner that is fair and equitable. In allocating investment opportunities, SkyBridge will consider many factors in determining the fairness of any allocation among its Advisory Clients. SkyBridge will typically first consider whether the underlying investment opportunity is scarce or not. SkyBridge also considers whether the underlying investment opportunity is an Investment Fund managed by a third party Investment Manager (which is the typical investment of the SkyBridge Funds-of-Funds). SkyBridge then considers whether the investment opportunity includes (i) an Investment Fund that is closed to "new investors" or (ii) a privately issued security of an operating company (which is the typical investment of the SkyBridge Venture Funds and, to a lesser extent, the SkyBridge Funds-of-Funds). SkyBridge will also consider any other restrictions imposed by an Investment Fund or other issuer. SkyBridge also considers the type of Advisory Client (i.e., 1940 Act registered fund, private fund or managed account); Advisory Client strategies (multi-strategy or single strategy); inception dates (and potentially different Investment Fund lock up periods); investment scale required to incept an Advisory Client; cash flows and available cash, liquidity, investment objectives and restrictions (which may include manager and strategy investment limits); and past allocation decisions. With respect to liquidity, SkyBridge Funds-of-Funds provide quarterly or semi-annual redemption windows and have a commensurate need for liquidity, and therefore a potentially lesser appetite for illiquid privately issued securities, whereas SkyBridge Venture Funds, which are single strategy, are anticipated to be invested in that strategy for several years of duration, and anticipated liquidity is not a relevant factor for allocation decisions.

Investments in Affiliated Funds. Conflicts of interest also arise when SkyBridge determines, for SkyBridge Funds that are not 1940 Act Funds, that an investment in another fund managed by SkyBridge is in the best interests of the investor fund, for example in the case of a nascent strategy that is lacking in depth of institutional third party investment managers providing the same level of expertise as SkyBridge, such as the digital asset strategy. As of February 1, 2023, approximately 19% of Legion Strategies' net asset value was represented by investments in Affiliated Funds. This number may increase in the future, and the increase could be significant. An investment in Affiliated Funds results in conflicts of interest relating to remuneration and profitability for SkyBridge and its affiliates, insofar as SkyBridge charges management and incentive fees at both the Affiliated Fund and "fund-of-fund" levels, for which no accounting or repayment to the "fund-of-fund" is required. An investor who meets the eligibility conditions imposed by the Affiliated Fund could invest directly in that Affiliated Fund, which would eliminate such layering of fees.

Furthermore, while SkyBridge is registered as an investment adviser with the SEC pursuant to the Advisers Act, it is not and will not be acting in such capacity in providing services to all Affiliated Funds. As such, neither the Affiliated Fund nor its investors has the protections afforded by the Advisers Act. As an example, in managing the Bitcoin Fund and the Ethereum Fund, SkyBridge does not act as an SEC registered investment adviser, and is not subject to the Advisers Act's requirements with respect to the custody of Advisory Client assets or transactions with affiliates. Additionally, if SkyBridge manages Affiliated Funds that engage in transactions in securities in which Investment Funds or Legion Strategies itself invests, SkyBridge could be seen as harming the performance of Legion Strategies for the benefit of the Affiliated Fund. Further, the valuation of Legion Strategies' assets depends in part on the manner in which those Affiliated Funds in which Legion Strategies is invested are valued. A third-party administrator, in consultation with SkyBridge serving as investment manager for the Affiliated Fund, will value the assets held by each Affiliated Fund, including assets for which there is no readily ascertainable market value, in accordance with SkyBridge's written valuation policies applicable to the Affiliated Fund, copies of which are available upon request. Each of the third-party administrator and SkyBridge has a conflict of interest in determining such valuations because fees payable to SkyBridge and the third-party administrator are based primarily on values assigned to such investments. For example, overvaluing certain positions held by an Affiliated Fund could inflate the value of the fund's assets (which would increase the fees payable by Legion Strategies to the third-party administrator and SkyBridge serving as investment manager for the Affiliated Fund) as well as the Affiliated Fund's performance record. The valuation of investments may also affect the ability of SkyBridge to raise additional funds. As a result, there may be circumstances where the third-party administrator and/or SkyBridge is incentivized to determine valuations that are higher than the actual fair value of investments. SkyBridge has adopted policies and procedures, and a Code of Ethics, to mitigate these and other risks.

Where Legion Strategies invests in an Affiliated Fund that is also offered to other investors, Legion Strategies will be bound by the same redemption restrictions as the other investors. SkyBridge may from time to time cause Legion Strategies to redeem all or a part of its investment in such Affiliated Fund. Such a redemption may cause the net asset value of the Affiliated Fund to decrease or may reduce the Affiliated Fund's liquidity. In the event of such a redemption, SkyBridge will have a conflict of interest between the interests of such Affiliated Fund in maintaining its net asset value and liquidity and those of Legion Strategies in effecting such redemption.

Side-by-Side Management of 1940 Act Funds and Private Funds. SkyBridge portfolio managers advise both 1940 Act Funds and private SkyBridge Funds that are exempt from registration under the 1940 Act and Managed Accounts. There are various potential conflicts of interest issues that could arise as a result. For example, the 1940 Act Funds and the private SkyBridge Funds and Managed Accounts may hold inconsistent positions, have different liquidity needs and have different fee structures. Further, investment constraints imposed upon 1940 Act Funds, such as affiliation rules under the 1940 Act, may limit SkyBridge's ability to engage in transactions on behalf of private SkyBridge Funds and Managed Accounts, or may otherwise affect the terms of such transactions, and returns may be negatively impacted as a result. For example, SkyBridge is limited in the amount of aggregate exposure to an underlying Investment Fund across Advisory Clients when a SkyBridge 1940 Act Fund is invested in such Investment Fund. Further, SkyBridge intends to waive voting rights that its private SkyBridge Fund would otherwise have in an underlying Investment Fund if a SkyBridge 1940 Act Fund is also invested in such fund. Voting rights may be waived at the inception of the investment or at a subsequent date. Further, SkyBridge Funds have different redemption provisions which may result in investors in one such fund redeeming at a time when investors in another such fund are subject to restrictions on redemption.

General. Potential conflicts of interest also could manifest in the form of inappropriate recommendations to or investments in certain accounts because SkyBridge hopes the Advisory Client will invest additional

assets or a reluctance by SkyBridge to mark down fair valued/illiquid securities to avoid either a decline in performance or an increase in performance volatility, which, in each case, could make a Managed Account or SkyBridge Fund potentially less attractive to existing and prospective investors. Another conflict of interest could stem from SkyBridge personnel managing, at the same time, one or more SkyBridge Funds and/or Managed Accounts. Such side-by-side management may result in certain portfolio managers devoting unequal time or attention to the management of one Advisory Client over another.

Oversight. SkyBridge's Manager Selection and Portfolio Allocation Committee, as well as the SkyBridge Fiduciary Committee, meets regularly to review allocation decisions, including to determine their consistency with SkyBridge's policies and procedures. All investment decisions are also subject to periodic review by SkyBridge's Chief Compliance Officer ("CCO").

Other. Mr. Scaramucci, founder of the Investment Manager, regularly appears as a knowledgeable market participant on various television programs, as do other SkyBridge employees. Those appearances could create potential or perceived conflicts of interest. For example, SkyBridge personnel may discuss individual security positions while discussing the financial markets and Advisory Clients may or may not have exposure to these positions directly or through the Investment Funds.

Island Bay, which owns a 30% membership interest in SkyBridge, is ultimately beneficially owned by the controlling shareholder of FTX Trading Ltd., in which Series G and SkyBridge FTX LP are invested and which is currently in bankruptcy proceedings. Island Bay is not represented on the SkyBridge Board of Managers and has no control or influence over SkyBridge's operations.

SALT Venture Group, LLC ("SALT"), a company affiliated with SkyBridge, hosts large investment conferences in the U.S. and abroad. Conferences typically include participation by numerous thought leaders, public policy officials, business professionals, investors and money managers from around the world. The affiliation with SALT raises the potential for actual or perceived conflicts of interest, including when underlying fund Investment Managers and/or companies in which Advisory Clients are invested participate in SALT conferences as paying guests, speakers or event sponsors.

Item 7: Types of Advisory Clients

SkyBridge provides discretionary investment advice to SkyBridge Funds and Managed Accounts, the latter of which historically have been established by institutions and high net worth individual investors.

Except as noted below, SkyBridge Funds generally require minimum investments that range from \$25,000 to \$25 million depending upon the SkyBridge Fund and series of shares, while SkyBridge typically requires that Managed Accounts have a minimum capital investment of \$15 million.

Fees and minimum investment requirements for certain of the SkyBridge Funds and share series within SkyBridge Funds may be waived, reduced or calculated differently with respect to investors at the sole discretion of SkyBridge as permitted by the SkyBridge Fund's offering documentation, and are typically waived for employees of SkyBridge and its affiliates.

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

Methods of Analysis and Investment Strategies

Funds-of-Funds Strategy

SkyBridge evaluates Investment Managers based on qualitative and quantitative factors to seek to identify Investment Managers that have shown the ability to generate consistent skill-based returns (alpha) over time, while showing the ability to preserve capital by controlling draw-downs. Based on this principle, SkyBridge has developed a due diligence process that evaluates Investment Managers on two distinct fronts. The first front is a comprehensive review of an Investment Manager's investment capabilities. The second front involves the administration of operational due diligence, by which SkyBridge, or its delegate, examines aspects of an Investment Manager's business and operational infrastructure. SkyBridge believes that this dual-pronged methodology enhances its ability to make informed decisions and ultimately provides heightened protection against losses attributable to Investment Manager-specific risk.

Two committees are involved in SkyBridge Funds-of-Funds portfolio management process: SkyBridge's Investment Committee and SkyBridge's Funds-of-Funds Manager Selection & Portfolio Allocation Committee. The Investment Committee is comprised of all members of the SkyBridge investment team. The Investment Committee discusses general market activity and investment performance, and presents new investments for approval, including Investment Managers and Investment Funds, publicly and/or privately issued and/or traded securities and any other investments permissible under a fund's investment mandate. Approval of the Investment Committee is required for all investments, together with the additional approval of the Funds-of-Funds Manager Selection & Portfolio Allocation Committee for investments into Investment Funds. Investments in Affiliated Funds are not subject to this process.

The Funds-of-Funds Manager Selection & Portfolio Allocation Committee is comprised of the Co-Chief Investment Officers and the Senior Portfolio Manager. This committee ratifies approved Investment Managers and Investment Funds on a periodic basis.

SkyBridge has access to a number of hedge fund databases as well as market information sources. In addition, SkyBridge has an active research program with internal analysts who specialize in various strategies. Specific sources for new Investment Managers include industry contacts, referrals from existing Investment Managers, third-party databases, direct solicitations by Investment Managers and third-party marketing firms, and introductions from prime brokers and industry conferences. SkyBridge receives information from a large number of Investment Funds each year. SkyBridge meets with a diversified cross-section of these Investment Funds each year, but allocates assets to only a fraction of them. SkyBridge continually looks to add to the pool of eligible Investment Funds that meet its due diligence requirements. This allows SkyBridge to rank and compare fund peers, which helps to facilitate the replacement of under-performing Investment Managers as well as identify attractive alternatives and new strategies.

SkyBridge selects opportunistically from a wide range of Investment Funds in order to create a portfolio of such Investment Funds while seeking to identify attractive investment strategies and Investment Managers. SkyBridge does not generally seek to invest Advisory Client assets according to pre-determined allocations. SkyBridge generally allocates assets to Investment Funds following a wide variety of investment strategies, resulting in an asset mix held by Investment Funds that may from time to time include, without limitation, currencies, commodity futures and options, non-U.S. dollar denominated instruments, digital assets, short-term instruments (including U.S. Treasury securities and certificates of deposit), sovereign debt, public and privately placed (unlisted) equity, equity-related and debt securities of U.S. and non-U.S. corporations, and

investments in other investment funds.

Once an Investment Manager has been added to the portfolio of a SkyBridge Fund or Managed Account, the terms of the investment will generally require that the Investment Manager provide SkyBridge with periodic reports and other information that will allow SkyBridge to monitor, among other things, the Investment Manager's compliance with investment guidelines and adherence to style parameters. Depending upon the severity of issues or concerns, SkyBridge may initiate a discussion with the Investment Manager or withdraw SkyBridge Fund investment capital, subject to lock-up provisions and early exit rights. Poor performance or lagging infrastructure may result in similar actions.

SkyBridge Funds-of-Funds may also make direct investments in the public and private markets. SkyBridge's investment decision-making process generally involves thorough fundamental research regarding a prospective investment. SkyBridge conducts a reasonable amount of due diligence prior to purchasing or selling any asset, and the amount of diligence generally will increase with the complexity and uniqueness of the asset.

SkyBridge's personnel have experience and expertise with alternative investment strategies and Investment Managers and have evaluated numerous Investment Funds representing many categories of alternative investments, utilizing various investment strategies. They also have extensive experience in directly managing alternative investment strategies as well as public and private equity market investing. SkyBridge believes that this combination of evaluation and investment experience enables it to understand the opportunities and risks associated with investing in varied Investment Funds and the financial markets generally.

As discussed in Item 6 of this brochure, from time to time, SkyBridge may determine that an investment in another fund managed by SkyBridge is in the best interests of the investor fund. This would be the case, for example, if SkyBridge seeks exposure to a nascent strategy that is lacking in depth of third-party institutional investment managers providing the same level of expertise as SkyBridge, such as the digital asset strategy. As of February 1, 2023, approximately 19% of Legion Strategies' net asset value was represented by investments in Affiliated Funds.

Subject to limitations imposed by a SkyBridge Fund's offering materials (and, for the 1940 Act Funds, the asset coverage requirements of the 1940 Act), SkyBridge may employ leverage in order to fund repurchases of the SkyBridge Fund shares or for other purposes. This is in addition to the leverage used by individual Investment Funds in which SkyBridge Funds invest. Leverage, whether employed by a SkyBridge Fund or underlying Investment Fund, has the effect of increasing returns or losses, as well as volatility. SkyBridge may increase or decrease the degree of leverage employed by a SkyBridge Fund at any time, but will have no control over leverage employed by an Investment Fund other than with respect to any predetermined leverage limits that may have been agreed to by the Investment Fund.

Direct Investment Strategies

As occurs with SkyBridge Fund-of-Funds when they make direct investments, SkyBridge's investment decision-making process generally involves thorough fundamental research regarding a prospective investment in a SkyBridge Venture Fund or SkyBridge Digital Fund. SkyBridge conducts a reasonable amount of due diligence prior to purchasing or selling any asset, and the amount of diligence generally will increase with the complexity and uniqueness of the asset.

On a periodic basis, the portfolio manager responsible for an Advisory Client employing a direct investment strategy will review the Advisory Client's investments for consistency with its stated investment strategies,

objectives, guidelines and risk. SkyBridge endeavors to prevent “style drift,” or the pursuit of strategies outside those contemplated by the offering materials or Advisory Client Agreement. It should be noted that style drift can occur intentionally by purchasing securities outside of stated strategies or guidelines, or unintentionally through redemptions, illiquidity or other market factors. The subsequent investment monitoring and asset management processes, which are designed to ensure the timely and successful execution of the investment strategy, involve periodic reviews of valuation parameters, investment performance, and disposition opportunities.

SkyBridge Venture Funds Investment Strategy. The SkyBridge Venture Funds investment strategy is to seek direct or indirect exposure to private operating companies with future growth potential in various industries, to date including financial services and telecommunications. These are investments that SkyBridge believes are in a position to benefit from a future liquidity event such as an initial public offering and/or public listing of securities, at all times subject to market conditions beyond SkyBridge’s control.

SkyBridge Digital Funds Investment Strategy. The SkyBridge Coin Fund investment strategy broadly encompasses exposure to digital assets (including, but not limited to, protocols and tokens (e.g., Bitcoin, Ethereum and other current and future crypto assets) and initial coin offerings), as well as agreements for future equity, agreements for future tokens and other investments in the cryptocurrency space broadly defined.

SOZ REIT Investment Strategy. SOZ REIT acquired “qualified opportunity zone property” as defined by the Code and regulations issued by the Treasury and is closed to new investors. In June 2019, SOZ REIT closed on the formation and capitalization of a joint venture with The Buccini / Pollin Group and Virgin Holdings to develop a hotel on a 13,000 square foot site in New Orleans, Louisiana. The Virgin NOLA, which officially opened on August 18, 2021, is a 14-story, 238 room property that is positioned as an experiential lifestyle hotel located in the Warehouse District of New Orleans. The development of the hotel generated approximately 260 new construction-related jobs in addition to approximately 220 jobs post-construction.

Bitcoin Fund and Ethereum Fund Investment Strategy. The Bitcoin Fund invests exclusively and directly in Bitcoin, the largest and most liquid digital asset, while the Ethereum Fund invests in Ether, the native token of the Ethereum network.

Sub-Advisers

SkyBridge serves as sub-adviser to CRPT ETF and portfolio consultant to the Digital Unit Trust. In these roles, SkyBridge is responsible for the selection of assets to comprise the investment portfolios. Initial and ongoing trade execution is performed by the investment manager. The CRPT’s investment objective is to provide investors with capital appreciation, investing under normal market conditions (i) at least 80% of its net assets (plus any investment borrowings) in the common stocks and American Depositary Receipts of Crypto Industry Companies and Digital Economy Companies and (ii) at least 50% of its net assets (plus any investment borrowings) in Crypto Industry Companies. The remainder of its net assets used to satisfy the 80% test set forth above will be invested in Digital Economy Companies. Capitalized terms are defined in the fund’s offering materials. The Digital Unit Trust seeks above-average capital appreciation by investing in companies involved in digital innovation and those that are closely correlated with digital assets (including Bitcoin) and blockchain. The portfolio will not directly invest in Bitcoin or other cryptocurrencies.

SkyBridge may determine that it is advisable to retain an affiliated or unaffiliated investment manager to act as a sub-adviser for an Advisory Client’s account. In this event, SkyBridge is responsible for conducting

adequate due diligence to confirm that any sub-adviser has the necessary qualifications and experience to carry out its responsibilities under the proposed sub-advisory agreement. SkyBridge is responsible for confirming that any sub-adviser is aware of any investment instructions or restrictions, suitability requirements, or applicable SkyBridge Fund documents. After any sub-adviser is retained, SkyBridge must periodically (but no less frequently than annually) review the performance and continued qualification of the sub-adviser to determine whether or not the investment manager should continue to act in a sub-advisory capacity. At present, SkyBridge has retained GI Capital Management Ltd. as sub-adviser to the various segregated portfolios of SkyBridge Japan Strategies SPC.

Material Risks of SkyBridge's Investment Strategies

Investments made by SkyBridge involve significant risks. Prospective investors should carefully consider, among other factors, the risks described below. Such risk factors are not meant to be an exhaustive listing of all potential risks associated with investments and not all risks may be applicable to an investment. Prospective investors should carefully review relevant offering and governing documents and any other documents received prior to making an investment, and pay particular attention to the risk factors contained within those documents. Prospective investors should have the financial ability and willingness to accept the risk characteristics of their particular investments. There can be no assurance that SkyBridge will be able to achieve its investment objectives or that investors will receive a return of their capital. Investing involves significant risks, including the potential loss of the entire investment.

Material SkyBridge Funds-of-Funds Risks

Investors in SkyBridge Funds-of-Funds should pay particular attention to the risks associated with investing in Investment Funds, which employ a broad range of strategies and are subject to a broad range of risks, as more fully described in the offering materials for the SkyBridge Funds-of-Funds.

Investment Funds generally will not be registered as investment companies under the 1940 Act. A SkyBridge Fund-of-Funds, as an investor in these Investment Funds, will not have the benefit of the protections afforded by the 1940 Act to investors in registered investment companies, even if the SkyBridge Fund-of-Funds itself is so registered.

While SkyBridge may negotiate arrangements that provide for regular reporting of performance and portfolio data by the Investment Funds, typically the only means of obtaining independent verification of performance data will be reviewing the Investment Fund's annual audited financial statements. Absent such negotiated arrangements (or as may otherwise be provided in the Investment Fund's governing documents), Investment Funds are often not contractually or otherwise obligated to inform their investors, including a SkyBridge Fund-of-Funds, of details surrounding their investment strategies. This means, for example, that if two or more Investment Funds were to invest significantly in the same company or industry, the SkyBridge Fund-of-Funds' investments could be "concentrated" in that company or industry without SkyBridge having had the opportunity to assess the risks of such concentration. An Investment Fund may use investment strategies that are not fully disclosed to SkyBridge, which may involve risks under some market conditions that are not anticipated by SkyBridge.

Each Investment Manager will receive any performance-based compensation to which it is entitled irrespective of the performance of the other Investment Managers and the SkyBridge Fund-of-Funds generally. As a result, an Investment Manager with positive performance may receive performance compensation from the SkyBridge Fund-of-Funds, as an investor in an underlying Investment Fund, and indirectly from its shareholders, even if the SkyBridge Fund-of-Funds' overall returns are negative. Investment Fund fees are in addition to fees payable to SkyBridge by Advisory Clients (including indirectly by investors in the SkyBridge Fund-of-Funds). An investor who meets the eligibility conditions imposed

by the SkyBridge Fund-of-Funds could invest directly in the Investment Funds. By investing in the Investment Funds indirectly through a SkyBridge Fund-of-Funds, an investor bears a proportionate part of the asset-based fees and other expenses paid to SkyBridge, and other expenses of the SkyBridge Fund-of-Funds and also indirectly bears a portion of the asset-based fees, performance compensation and other expenses borne by the SkyBridge Fund-of-Funds as an investor in the Investment Funds.

Investment decisions of the Investment Funds are made by the Investment Managers independently of each other so that, at any particular time, one Investment Fund may be purchasing shares of an issuer whose shares are being sold at the same time by another Investment Fund. Transactions of this sort could result in the SkyBridge Fund-of-Funds directly or indirectly incurring certain transaction costs without accomplishing any net investment result. Because the SkyBridge Fund-of-Funds may make additional investments in or withdrawals from Investment Funds only at certain times, the SkyBridge Fund-of-Funds from time to time may have to invest some of its assets temporarily in money market securities or money market funds, among other similar types of investments.

For a SkyBridge Fund-of-Funds to provide an audited annual report to shareholders, it must receive timely information from the Investment Managers to which it has allocated capital. An Investment Manager's delay in providing this information would delay the SkyBridge Fund-of-Funds' preparation of certain information for shareholders.

Investment Funds may permit or require that redemptions of interests be made in kind. Upon its withdrawal of all or a portion of its interest in an Investment Fund, a SkyBridge Fund-of-Funds may receive an in kind distribution of investments that are illiquid or difficult to value. In such a case, SkyBridge would seek to cause the SkyBridge Fund-of-Funds to dispose of these securities in a manner that is in the best interests of the fund. The SkyBridge Fund-of-Funds may not be able to withdraw from an Investment Fund except at certain designated times, limiting the ability of SkyBridge to withdraw assets from an Investment Fund that may have poor performance or for other reasons. The SkyBridge Fund-of-Funds also may be subject to fees imposed on withdrawals from the Investment Funds, especially with respect to "early withdrawals" made within one year of its initial investment in a particular Investment Fund. The SkyBridge Fund-of-Funds also may be subject to fees or penalties assessed by Investment Funds for electing not to comply with such Funds' minimum capital commitment requirements. In some cases, an Investment Fund may not allow any withdrawal for an extended period of time and/or may only allow a specific percentage of the SkyBridge Fund-of-Funds' account to be withdrawn in a given period.

The SkyBridge Funds-of-Funds may agree to indemnify certain of the Investment Funds and their Investment Managers from any liability, damage, cost or expense arising out of, among other things, certain acts or omissions relating to the offer or sale of the fund's shares.

The SkyBridge Funds-of-Funds value investments in Investment Funds at fair value. Under these procedures, fair value as of each month-end ordinarily will be the value determined as of such month-end for each Investment Fund in accordance with the Investment Fund's valuation policies and reported at the time of the SkyBridge Fund-of-Funds' valuation, and calculated as the fund's interest in the net assets of each Investment Fund using net asset value, or its equivalent, as a practical expedient, and may be subject to certain adjustments. An Investment Manager may face a conflict of interest with respect to these reported valuations as they will affect the Investment Manager's compensation.

The SkyBridge Funds-of-Funds' valuation procedures require SkyBridge to consider all relevant information available at the time the fund values its portfolio. SkyBridge and/or the relevant fund Board of Directors will consider such information, and may conclude in certain circumstances that the information provided by the Investment Manager of an Investment Fund does not represent the fair value of the

SkyBridge Fund-of-Funds' interests in the Investment Fund. In the absence of specific transaction activity in interests in a particular Investment Fund, SkyBridge will consider whether it is appropriate, in light of all relevant circumstances, to value such a position at its net asset value as reported at the time of valuation, or whether to adjust such value to reflect a premium or discount to net asset value. Any such decision would be made in good faith, and subject to the review and supervision of the Board of Directors.

All fair value determinations are based on information reasonably available at the time the valuation is made and that the SkyBridge Fund-of-Funds believes to be reliable. This is so notwithstanding that subsequent revisions or adjustments may be initiated by an Investment Fund. For example, the net asset values or other valuation information received by SkyBridge from the Investment Funds will typically be "estimated" only, subject to revision through the end of each Investment Fund's annual audit. Revisions to the gain and loss calculations of each Investment Fund therefore will be an ongoing process, and no net capital appreciation or depreciation figure can be considered final as to an Investment Fund until its annual audit is completed. This is especially the case in respect of Investment Funds holding volatile or harder to value assets, including those of the type that might underlie a "side-pocket" established by the Investment Fund. In circumstances where no adjustment is made to the net asset valuation of the SkyBridge Fund-of-Funds, shares purchased or sold by shareholders will not be adjusted. Under such circumstances, if an adjustment would have reduced the SkyBridge Fund-of-Funds' net asset value, the outstanding shares of the fund will be adversely affected by the fund's prior repurchases of shares at a higher net asset value per share than had the adjustment been made. Conversely, if an adjustment would have increased the SkyBridge Fund-of-Funds net asset value, the outstanding shares of the fund will benefit, to the detriment of shareholders who previously had their shares repurchased at a lower net asset value than had the adjustment been made.

If an Investment Manager limits the amount of capital that may be contributed to an Investment Fund from a SkyBridge Fund-of-Funds, or if the SkyBridge Fund-of-Funds declines to purchase additional interests in an Investment Fund, continued sales of interests in the Investment Fund to others may dilute the returns for the fund from the Investment Fund.

For a variety of reasons, a SkyBridge Fund-of-Funds may need to hold its interest in an Investment Fund in non-voting form (which may entail the SkyBridge Fund-of-Funds subscribing for a class of securities that is not entitled to vote or contractually waiving the ability to vote with respect to a portion of its interests in the Investment Fund). The SkyBridge Fund-of-Funds may hold substantial amounts of non-voting securities in a particular Investment Fund. To the extent it holds an Investment Fund's non-voting securities (or voting securities as to which voting rights have been waived), it will not be able to vote on matters that require the approval of the investors in the Investment Fund.

SkyBridge Funds-of-Funds may be more concentrated and less diversified than other funds or accounts, and may have a greater concentration in one or more investment styles than other funds or accounts.

There can be no assurance that investment opportunities will be available for one or more SkyBridge Funds-of-Funds with similar investment criteria, or that available investments will meet a SkyBridge Fund-of-Funds' particular investment criteria.

Investors must be able to accept the risks associated with investing in illiquid securities, including that it may not be possible to sell such securities at the most opportune times or at prices approximating the value at which they were purchased.

SkyBridge may decide to use leverage, consistent with the 1940 Act, as applicable. Accordingly, a SkyBridge Fund-of-Funds may pledge its securities in order to borrow additional funds for investment

purposes. Certain SkyBridge Funds-of-Funds may also leverage investment returns through the use of options, short sales, swaps, forwards and other derivative instruments, including futures contracts. The amount of borrowings that a SkyBridge Fund-of-Funds may have outstanding at any time may be substantial in relation to its total capital. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by a SkyBridge Fund-of-Funds would be magnified to the extent of its leverage. The cumulative effect of the use of leverage in a market that moves adversely could result in a substantial loss to a SkyBridge Fund employing leverage which would be greater than if it were not leveraged.

Early-stage Investment Managers may not have substantial experience in operating Investment Funds and do not have significant track records.

SkyBridge may not be successful in selecting the best-performing Investment Funds, other investments or investment techniques, and a SkyBridge Fund-of-Funds' performance may lag behind that of similar funds. SkyBridge may also miss out on an investment opportunity because the assets necessary to take advantage of the opportunity are tied up in less advantageous Investment Funds or other investments.

Investment Funds and certain SkyBridge Funds-of-Funds may invest predominantly in equity securities and equity linked securities of issuers listed and traded on organized exchanges. The price of equity securities fluctuates based on many factors including the historical and prospective earnings of an issuer, the value of its assets, changes in the issuer's financial condition, overall market and economic conditions, interest rates, investor perceptions and market liquidity. Stock markets also are volatile and the market value of a security may, sometimes rapidly and unpredictably, fluctuate. As a result, a SkyBridge Fund-of-Funds may suffer losses if it invests in equity securities of issuers whose performance diverges from expectations or if equity markets generally move in a single direction and the SkyBridge Fund-of-Funds has not hedged against such a general move. In addition, stocks of small and mid-capitalization companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Small capitalization companies may have limited product lines or financial resources, or may be dependent upon a small or inexperienced management group, and their securities may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs. Generally, the smaller the company size, the greater the risk.

Investment Funds and certain SkyBridge Funds-of-Funds may utilize derivative instruments which seek to modify or replicate the investment performance of particular securities, commodities, currencies, interest rates, indices or markets. Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of a particular derivative and the Advisory Client's portfolio as a whole. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential effect on performance of the relevant portfolio. A portfolio also could experience losses if derivatives are poorly correlated with its other investments, or if the market for the derivative instrument is, or suddenly becomes, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives.

Investment Funds and certain SkyBridge Funds-of-Funds may utilize financial instruments, both for investment purposes and for risk management purposes in order to, among other things, protect against possible changes in the market value of its investment portfolio resulting from fluctuations in the securities markets and changes in interest rates and protect unrealized gains in the value of its investment portfolio. Such funds also may seek to hedge against price fluctuations between the underlying assets and their shares/units by using foreign exchange forward, futures or other derivative contracts. Although SkyBridge will attempt to minimize such currency risks, some unhedged foreign currency exposure will occur. The success of hedging strategies is subject to the Investment Fund's and SkyBridge's ability to correctly assess

the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of any hedging strategy will also be subject to the Investment Fund's and SkyBridge's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While an Investment Fund or SkyBridge Fund-of-Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance than if it had not engaged in any such hedging transactions. For a variety of reasons (e.g., cost and probability of occurrence of risk), such fund may not hedge against particular risks or may not establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. An imperfect correlation may prevent the fund from achieving the intended hedge, and failure to hedge or an imperfect hedge may expose the fund to risk of loss. Any reserves and/or margin posting obligations necessary or appropriate in connection with hedging arrangements also will reduce the amount of capital available for investment. There can be no assurances that such hedging transactions will be available or practicable in all cases or that they will be effective.

Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber security breaches. Cyber security attacks affecting SkyBridge and other third party service providers may adversely impact Advisory Clients. For instance, cyber-attacks may interfere with the processing of Advisory Client transactions, impact the ability to calculate the value of Advisory Client assets in a timely manner, cause the release of private Advisory Client information or other confidential information, impede trading, subject SkyBridge and our service providers to regulatory fines or financial losses, and cause reputational damage. Similar types of cyber security risks are also present for Investment Funds and other market participants, which may have material adverse consequences for Advisory Clients, and may cause an Advisory Client's investment to lose value. SkyBridge and its service providers may incur additional costs relating to cyber security preparations, and such preparations, though taken in good faith, may be inadequate. Cyber-attacks are viewed as an emerging risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

Material SkyBridge Venture Fund Risks

SkyBridge Venture Funds typically have some combination of the following risks associated with an investment.

SkyBridge Venture Funds seek to invest, directly or indirectly, in private operating companies with future growth potential in various industries, to date including financial services, telecommunications and crypto mining. These are investments that SkyBridge believes are in a position to benefit from a future liquidity event such as an initial public offering and/or public listing of securities, at all times subject to market conditions beyond SkyBridge's control. Although public listings are anticipated to occur for such companies, investors need to be prepared for an extended hold period if a public listing does not occur. Absent a public listing, SkyBridge could seek an exit through a secondary sale but it is unknown whether SkyBridge would be able to find a suitable buyer.

A SkyBridge Venture Fund's valuation is based on the investee company's continued success in building value and products/services that the market wants. There are no assurances that the company invested in by the SkyBridge Venture Fund will be able to continue to grow customers and its revenue base, the absence of which would negatively impact the valuation of the fund and result in a loss of capital.

Investments are typically in fast growth companies, and the nature of the industry in which they participate, execution of the plan and management's ability to adapt and respond to market, financial or operational

threats on time is key to the success of such a business. Their management's ability to operate successfully the business and manage growth is a key risk. Often, such companies are in highly regulated industries, where it is unknown the extent to which future regulation could affect their ability to do business. As such, investors should be aware that this risk does exist and is impossible to quantify at this time. Other companies operate in lightly regulated industries which are more susceptible to the behavior of bad actors notwithstanding investment and operational due diligence seeking to mitigate this risk.

Given the technological nature of many investee company businesses, their business models rely on a continued technological embrace by consumers. Their business plans may be dependent on certain technological advances that may take some time to materialize or may not materialize at all. As a consequence, such companies may be limited in their ability to reach goals and generate the business and value expected by investors and the market.

With a concentration of investments, the value of an investment is subject to greater volatility and may be more susceptible to any single economic, political, or regulatory occurrence that would be the case if the investments were more diversified. SkyBridge Venture Funds are concentrated in individual companies.

SkyBridge Venture Fund investors will generally be required to hold their investment until the fund is liquidated and the proceeds are distributed to the investors pursuant to the terms of the organizational documents.

Material Risks of SkyBridge Digital Funds, Bitcoin Fund and Ethereum Fund

Investment-Related Risks. Investing in digital assets is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for digital assets can change rapidly and is affected by a variety of factors, including regulation and general economic trends. In addition to these general investment risks, SkyBridge may use investment techniques that subject SkyBridge Digital Funds to certain risks; some, but not all, of these risks are summarized below.

Risks Related to the Pricing Sources. Typically, digital assets will be priced, including for purposes of determining a fund's net asset value, based upon third-party pricing services or indexes, to the extent reasonably available, as selected by SkyBridge affiliated general partner or SkyBridge, as applicable (the "Pricing Sources"). The Pricing Sources will not necessarily be reflective of the prices of digital assets available on any given exchange or other venue where the SkyBridge Digital Fund's trades are executed. In addition, the Pricing Sources may not be reflective of the then-available market prices of digital assets in periods between the Pricing Source calculations. For example, subscriptions will be processed the first business day of each month, based off of an opening net asset value that reflects the Pricing Source calculations from the immediately preceding dates on which the Pricing Sources were calculated. SkyBridge does not intend, and disclaims any obligation, to determine whether a Pricing Source accurately reflects the value of a digital asset or the price at which market transactions in a digital asset could be readily effected at any given time. Because subscriptions and redemptions are processed based on the net asset value of the SkyBridge Digital Fund, if the Pricing Sources do not accurately reflect the value of the digital assets, at a given time, subscription and redemption transactions will be effected at prices that may adversely affect the shareholders and the fund. For example, if the accurate value of a digital asset is less than the applicable Pricing Source at the time in question, investors will effectively overpay when they subscribe to the fund, and the fund will effectively overpay when it redeems a shareholder (thereby diluting the remaining shareholders). Conversely, if the accurate value of a digital asset is greater than the applicable Pricing Source at the time in question, shareholders will effectively underpay when they subscribe to the fund (thereby diluting existing shareholders), and shareholders will be effectively underpaid when they redeem from the fund.

Different from Directly Owning Digital Assets. The performance of SkyBridge Digital Asset Funds will not reflect the specific return an investor would realize if the investor actually purchased the digital assets in which a fund invests. Shareholders will not have any rights that digital asset holders have.

Digital Assets Generally. The further development and acceptance of digital assets is subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of digital assets may adversely affect an investment a SkyBridge Digital Asset Fund.

The use of digital assets to, among other things, buy and sell goods and services, or to serve as the basis for other digital assets to facilitate transactions or services (including DeFi financial transactions), is part of the new, experimental and rapidly evolving digital asset industry. Bitcoin and Ethereum are prominent, but not the only, parts of this industry. The growth of this industry is subject to a high degree of uncertainty.

The factors affecting the further growth and development of this industry, include, but are not limited to:

- continued worldwide growth in the adoption and use of digital assets;
- government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of digital asset networks;
- changes in consumer demographics and public tastes and preferences;
- the maintenance and development of the open-source software protocol of the digital asset networks;
- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- the further development of “second-layer” applications and scaling solutions; and
- general economic conditions and the regulatory environment relating to digital assets, and negative consumer or public perception of digital assets.

Digital assets are loosely regulated and there is no central marketplace for digital asset exchange. Supply is typically determined by a computer code, foundations or groups of developers or users, not by a central bank, and prices can be extremely volatile. Additionally, exchanges may suffer from operational issues, such as delayed execution, that could have an adverse effect on a SkyBridge Digital Fund. Digital asset exchanges have been closed due to fraud, failure or security breaches. Any of the SkyBridge Digital Fund’s funds that reside on an exchange that shuts down or suffers a breach may be lost.

Several factors may affect the price of digital assets, including, but not limited to: supply and demand, investors’ expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of digital assets or the use of digital assets as a form of payment. There is no assurance that digital assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of digital asset payments by mainstream retail merchants and commercial businesses will continue to grow.

Digital assets are created, issued, distributed, transmitted, secured and stored according to protocols run by computers in the digital asset networks, decentralized networks of computers that operate on cryptographic protocols. No single entity owns or operates a digital asset network, the infrastructure of which is collectively maintained by a decentralized user base. It is possible these protocols have undiscovered flaws which could result in the loss of some or all of the assets held by the SkyBridge Digital Fund. There may

also be network-scale attacks against these protocols, which result in the loss of some or all of the assets held by the SkyBridge Digital Fund. Some assets held by the SkyBridge Digital Fund may be created, issued, distributed, transmitted, secured or stored using experimental cryptography which could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols which support the digital assets held by the SkyBridge Digital Fund. There are no guarantees about the reliability of the protocol or cryptography used to create, issue, distribute, transmit, secure or store digital assets held by the SkyBridge Digital Fund.

Investing on Digital Asset Networks. SkyBridge Digital Funds may convert any U.S. dollar contributions to digital assets over specific networks and may use certain digital assets to purchase other digital assets. Many digital asset networks are online end-user-to-end-user networks that host a public transaction ledger, known as a blockchain, and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many digital asset transactions, the recipient of the digital assets must provide its public key, which serves as an address for a digital wallet, to the party initiating the transfer. In the data packets distributed from digital asset software programs to confirm transaction activity, each digital asset user must “sign” transactions with an output derived from entering such user’s private key into a “hashing algorithm,” and this signature serves as validation that the transaction has been authorized by the owner of such digital asset. This process is vulnerable to hacking and malware, and could lead to theft of digital wallets and the loss of a SkyBridge Digital Fund’s digital assets. Many digital asset exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such digital asset exchanges were not compensated or made whole for the partial or complete losses of their account balances in such digital asset exchange. Additionally, users of several digital asset exchanges have been subject to “phishing” scams, where hackers have fraudulently obtained account credentials and perpetuated large-scale thefts of users’ digital assets.

Recent Deployment of Certain Digital Assets. Digital asset networks are new and being rapidly developed. The Ethereum network and the Ethereum network software, for instance, are in their early stages. The production version of the blockchain on the Ethereum network was launched in March 2016. As a result, the Ethereum network has undergone less testing than the older, more established Bitcoin network, which was created in 2009. Similarly, XRP and the Ripple network were released in 2012, and the structure and functionality of the Ripple network have since undergone significant changes. As digital asset networks continue to develop and grow, certain technical issues might be uncovered. For example, in January 2018, it was reported that many Ethereum users had been paying higher fees than necessary due to a glitch in the algorithm that determines transaction fees (i.e., the “gas pricing oracle”). The troubleshooting and resolution of such issues requires the attention and efforts of the global developer community associated with the affected digital asset. Even if such technical issues are adequately addressed, these issues could lead to a reduction in confidence of the affected digital asset, or digital assets generally, which could negatively impact the demand for the affected digital asset, or digital assets generally, and therefore adversely affect an investment in SkyBridge Digital Fund shares. Perhaps in part because of their youth, digital assets have experienced sharp fluctuations in value. If such volatility continues, it may have an adverse effect on the willingness of parties, other than speculators, to receive digital asset units in a transaction.

Volatility. Fluctuations in the prices of digital assets could adversely affect an investment in a SkyBridge Digital Fund. The market prices of digital assets may be highly volatile and subject to a number of factors, including:

- An increase in the global digital assets supply;
- Manipulative trading activity on digital asset exchanges, which are largely unregulated;

- The adoption of digital assets as mediums of exchange, stores-of-value or other consumptive assets and the maintenance and development of the open-source software protocols of the digital asset networks;
- Forks in the digital asset networks;
- Investors' expectations with respect to interest rates, the rates of inflation of fiat currencies or digital assets and digital asset exchange rates;
- Consumer preferences and perceptions of digital assets;
- Fiat currency withdrawal and deposit policies on digital asset exchanges;
- The liquidity of digital asset markets;
- Investment and trading activities of large investors that invest directly or indirectly in digital assets;
- A "short squeeze" resulting from speculation on the price of a digital asset, if aggregate short exposure exceeds the number of such digital asset available for purchase;
- An active derivatives market for digital assets;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations and regulatory measures or enforcement actions, if any, that restrict the use of digital assets as forms of payment or the purchase of digital assets on the digital asset markets;
- Global or regional political, economic or financial conditions, events and situations;
- Fees associated with processing a digital asset transaction and the speed at which digital asset transactions are settled;
- Interruptions in service from or failures of major digital asset exchanges;
- Decreased confidence in digital asset exchanges due to the unregulated nature and lack of transparency surrounding the operations of digital asset exchanges;
- Increased competition from other forms of digital assets or payment services; and
- A master fund's own acquisitions or dispositions of a digital asset, since there is no limit on the number of a digital asset that the master fund may acquire, other than any finite supply of such digital asset.

In addition, there is no assurance that a digital asset will maintain its value in the long or intermediate term. In the event that the prices of digital assets decline, SkyBridge expects the value of an investment in SkyBridge Digital Funds to decline. The value of a digital asset held by such funds could decline rapidly, including to zero.

Momentum Pricing. The value of digital assets as represented by the prices for digital assets may be subject to momentum pricing due to speculation regarding future appreciation in value. Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, is impacted by anticipated future appreciation in value. Momentum pricing may result in speculation regarding future appreciation in the value of digital assets, which inflates prices and leads to increased volatility. As a result, digital assets may be more likely to fluctuate in value due to changing

investor confidence in future appreciation or depreciation in prices, which could adversely affect an investment in a SkyBridge Digital Fund. In addition, retail investors and speculation in January 2021 caused significant volatility in certain securities, which soon found its way to various digital assets that are available on popular trading applications. The increase in retail investors and the availability of digital assets on popular trading applications could make this type of phenomenon and volatility more regular and extreme in the trading markets for digital assets.

Limited Use in the Marketplace. Currently, there is relatively limited use of any digital asset (including even Bitcoin and Ethereum) in the retail and commercial marketplace in comparison to relatively extensive use as a store of value, thus contributing to price volatility that could adversely affect an investment in the SkyBridge Digital Fund shares. Digital assets have only recently become selectively accepted as a means of payment for goods and services by many major retail and commercial outlets, and use of digital assets by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for digital asset transactions; process wire transfers to or from digital asset exchanges, digital asset-related companies or service providers; or maintain accounts for persons or entities transacting in digital assets. Conversely, a significant portion of digital asset demand is generated by investors seeking a long-term store of value or speculators seeking to profit from the short- or long-term holding of the asset. Price volatility undermines any digital asset's role as a medium of exchange, as retailers are much less likely to accept it as a form of payment. Market capitalization for a digital asset as a medium of exchange and payment method may always be low. A lack of expansion by digital assets into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in the value of the asset, either of which could adversely affect an investment in SkyBridge Digital Fund shares. There can be no assurance that such acceptance will grow, or not decline, in the future.

Not Legal Tender. Digital assets are not backed by a government-issued legal tender, such as Federal Reserve Notes or any commodity money such as silver or gold counts, and many question whether digital assets have intrinsic value.

Scaling Obstacles. Digital assets face significant scaling obstacles that can lead to high fees or slow transaction settlement times, and attempts to increase the volume of transactions may not be effective. Many digital asset networks face significant scaling challenges. For example, as of December 2021, Bitcoin could handle, on average, five to seven transactions per second, and Ethereum could handle approximately 15 to 45 transactions per second. For several years, participants in the Bitcoin ecosystem debated potential approaches to increasing the average number of transactions per second that the Bitcoin network could handle. As of August 2017, Bitcoin was upgraded with a technical feature known as “segregated witness” that, among other things, would potentially approximately double the transactions per second that can be handled on-chain. More importantly, segregated witness technology also enables so-called second layer solutions, such as the Lightning Network or payment channels, that allow potentially unlimited transactions throughput (*i.e.*, millions to billions of transactions per second). A technology similar to the Lightning Network is being developed for Ethereum called Raiden.

An increasing number of wallets and digital asset intermediaries, such as exchanges, have begun supporting segregated witness technology and the Lightning Network, or similar technology. However, the Lightning Network does not yet have broad adoption as of December 2021. Additionally, the Lightning Network has not yet seen significant use, and there are open questions about Lightning Network services, such as its cost and who will serve as lightning intermediaries, among other questions.

Other digital assets, like Bitcoin Cash or Ethereum, also have other mechanisms implemented or in research thought to increase scale, such as increasing the allowable sizes of blocks, and therefore the number of transactions per block, and sharding, which would not require every single transaction to be included in every single miner's or validator's block.

As the use of digital asset networks increases without a corresponding increase in throughput of the networks, average fees and settlement times can increase significantly. Bitcoin's network has been, at times, at capacity, which has led to increased transaction fees and decreased settlement speeds. For example, Bitcoin transaction fees increased from \$5.55 per Bitcoin transaction on January 1, 2021, on average, to a high of \$62.78 per transaction on April 21, 2021, on average. As of December 18, 2021, Bitcoin transaction fees stood at \$1.72 per Bitcoin transaction, on average.

Increased fees and decreased settlement speeds could preclude certain uses for digital assets (e.g., micropayments and processing data-intensive smart contracts), and could reduce demand for, and the price of, digital assets, which could adversely impact the value of a SkyBridge Digital Fund shares.

There is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement of transactions in digital assets will be effective, or how long these mechanisms will take to become effective, which could adversely impact an investment in shares.

Private Keys. Digital assets are controllable only by the possessor of both the unique public key and private key or keys relating to the "digital wallet" in which the digital asset is held. Private keys must be safeguarded and kept private in order to prevent a third-party from accessing the digital asset while held in such wallet. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, a SkyBridge Digital Fund will be unable to access, and will effectively lose, the digital assets held in the related digital wallet. Any loss of private keys relating to digital wallets used to store the fund's digital assets would adversely affect an investment in the shares.

Irrevocable Nature of Blockchain-Recorded Transactions. Digital asset transactions recorded on a digital asset blockchain are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction or, in theory, control or consent of a majority of the aggregate hashrate on the respective digital asset network. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of digital assets or a theft of digital assets generally will not be reversible, and a SkyBridge Digital Fund may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, fund's digital assets could be transferred from custody accounts in incorrect quantities or to unauthorized third parties.

Such events have occurred in connection with digital assets in the past. For example, in September 2014, the Chinese digital asset exchange, Huobi, announced that it had sent approximately 900 Bitcoins and 8,000 Ethereum (worth approximately \$400,000 at the prevailing market prices at the time) to the wrong customers. To the extent that a SkyBridge Digital Fund is unable to seek a corrective transaction with such third party or is incapable of identifying the third-party that has received the fund's digital assets through error or theft, the fund will be unable to revert or otherwise recover incorrectly transferred digital assets. To the extent that the fund is unable to seek redress for such error or theft, such loss could adversely affect an investment in its shares.

Internet Disruptions. A significant disruption in Internet connectivity could disrupt a digital asset network's operations until the disruption is resolved, and such disruption could have an adverse effect on the price of such digital asset. In particular, some digital assets have experienced a number of denial-of-service attacks, which have led to temporary delays in block creation and digital asset transfers. While in certain cases in response to an attack, an additional "hard fork" has been introduced to increase the cost of certain network functions, the relevant network has continued to be the subject of additional attacks. Moreover, it is possible that as a digital asset increases in value, it may become a bigger target for hackers and subject to more frequent hacking and denial-of-service attacks.

Digital assets are also susceptible to border gateway protocol hijacking, or BGP hijacking. Such an attack can be a very effective way for an attacker to intercept traffic in route to a legitimate destination. BGP hijacking impacts the way different nodes and miners are connected to one another to isolate portions of them from the remainder of the network, which could lead to a risk of the network allowing double-spending and other security issues. If BGP hijacking occurs on a digital asset network, participants may lose faith in the security of such digital asset, which could affect such digital asset's value and consequently the value of the Shares.

Any future attacks that impact the ability to transfer a digital asset could have a material adverse effect on the price of such digital asset and the value of an investment in the Shares.

Malicious Attacks on the Network. Digital asset networks are subject to control by entities that capture a significant amount of the network's processing power or a significant number of developers important for the operation and maintenance of such digital asset network.

Control of Processing Power. If a malicious actor or botnet obtains control of more than 50% of the processing power on a digital asset network, such actor or botnet could manipulate the blockchain to adversely affect a SkyBridge Digital Fund investments or the ability of fund to operate. Digital asset networks are subject to control by entities that capture a significant (1) amount of the network's processing power, (2) percentage of the digital assets issued and outstanding, or (3) number of developers or intermediaries important for the operation and maintenance of such digital asset network, depending on the algorithm used to secure the network. Many blockchain networks, including the Bitcoin network, are secured by proof-of-work algorithms, whereby the collective strength of network participants' processing power protects the network. If a malicious actor or botnet (*i.e.*, a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on a digital asset network, it may be able to construct fraudulent blocks or prevent certain transactions from completing, either in a timely manner or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions. While a malicious actor would not be able to generate new digital asset interests or transactions using such control, it could "double-spend" its own digital asset interests (*i.e.*, spend the same interests in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintained control. To the extent that such malicious actor or botnet did not yield its control of the processing power on a digital asset network or the network community did not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Further, a malicious actor or botnet could create a flood of transactions in order to slow down confirmations of transactions on a digital asset network.

Some digital asset networks have been subject to malicious activity achieved through control of over 50% of the processing power on the network. For example, on May 24, 2018, it was reported that attackers compromised the Bitcoin Gold network in this manner and were successfully able to double-spend interests of Bitcoin Gold in a series of transactions over the course of at least one week and in a total amount of at least \$18 million. It is believed that certain mining pools may have exceeded the 50% threshold on some other digital asset networks, such as the Bitcoin network. The possible crossing of the 50% threshold indicates a greater risk that a single mining pool or small group of mining pools could exert authority over the validation of digital asset transactions, and this risk is heightened if over 50% of the processing power on a digital asset network falls within the jurisdiction of a single governmental authority. For example, a significant amount of the processing power on certain digital asset networks has been located in China. Because the Chinese government has subjected digital assets to heightened levels of scrutiny recently, reportedly forcing several digital asset exchanges to shut down, there is a risk that the Chinese government could also achieve control over a significant amount of the processing power on additional digital asset networks. If network participants, including the core developers and the administrators of mining pools, do not act to ensure greater decentralization of digital asset mining processing power, the feasibility of a

malicious actor obtaining control of the processing power on a digital asset network will increase, which may adversely affect an investment in the Shares.

Material SOZ REIT Risks

SOZ REIT has made a single acquisition, resulting in the risk that the returns realized by shareholders will be substantially adversely affected by the unfavorable performance of, or a default in respect of, the acquisition. Given that SOZ REIT operates at a modest asset size, it is subject to higher total expenses relative to its asset size (in that larger size generally allows for spreading of expenses). There are risks that the tax benefits described in the SOZ REIT offering memorandum may not be obtained. Although SOZ REIT currently expects to manage itself in order to continue to qualify as a “qualified opportunity fund” (“QOF”) under Subchapter Z, of the Code, no assurance can be provided in this regard. In the event that under additional legislation or administrative guidance, SOZ REIT will be unable to qualify as a QOF or provide investors with the anticipated tax benefits, the SOZ REIT Board, in consultation with SkyBridge, generally will have a duty to consider whether any changes to it or its investment program may be made in order for SOZ REIT to qualify as a QOF, but will have no obligation to make any such change. In addition, in the event that additional legislation is not enacted or administrative guidance is not provided in respect of a particular matter relating to Subchapter Z, SOZ REIT may take certain actions based on its assumptions regarding the interpretation of certain provisions in Subchapter Z and the Internal Revenue Service may assert positions contrary to these assumptions, which could have an adverse impact on SOZ REIT, its status as a QOF, and the tax benefits otherwise afforded to the investors in SOZ REIT under Subchapter Z.

Item 9: Disciplinary Information

Not Applicable.

Item 10: Other Financial Industry Activities and Affiliations

SkyBridge uses the services of Hastings, an affiliated broker-dealer duly registered pursuant to the Securities Exchange Act of 1934 and a member in good standing of the Financial Industry Regulatory Authority, which is primarily owned by Anthony Scaramucci but operated separately from SkyBridge, principally to facilitate the distribution of Series G and GII. As such, Hastings has been appointed to serve as the principal underwriter to Series G and GII. Hastings has the authority to sell shares directly and to appoint third party placement agents to assist it in selling shares of Series G and GII on a “reasonable best efforts” basis.

SkyBridge may also use the services of Hastings to facilitate the distribution of other SkyBridge Funds and third party funds, including on an execution only basis. Hastings will receive customary fees based upon the nature and extent of the services provided, which fees Hastings may waive, and will be indemnified by, and will indemnify, the relevant counterparty on customary terms with respect to its services. Messrs. Scaramucci, Messing and Nolte are registered representatives of Hastings together with certain other members of the SkyBridge portfolio management team and other employees of SkyBridge.

As noted in Item 4, affiliates of SkyBridge act as the general partner or managing member of certain SkyBridge Funds structured as limited partnerships or limited liability companies and, as such, may have an economic interest in the performance of those SkyBridge Funds. SkyBridge’s affiliates (which are controlled by certain SkyBridge personnel) having an economic interest in the performance of a SkyBridge Fund could cause SkyBridge to make investment decisions that are different than would be made in the absence of such an interest.

Prowes is diversified holding company with interests in various sectors, is a minority equity interest holder in SkyBridge and certain SkyBridge affiliates. This entitles Prowes to certain beneficial rights not available to investors generally, including information rights with respect to its investment in SkyBridge.

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

SkyBridge has instituted policies and procedures designed to (i) avoid or resolve possible conflicts of interest that may arise in certain situations, and (ii) monitor the personal trading activities of SkyBridge's employees and certain members of their immediate families. These policies and procedures are embodied in SkyBridge's Code of Ethics and are intended to comply with the requirements of Rule 204A-1 under the Advisers Act and Rule 17j-1 under the 1940 Act, as applicable. They include the appointment of a CCO, the adoption of insider trading policies, the requirement that certain securities transactions (including, in particular, transactions in initial public offerings and private placements and limited offerings such as investments in hedge funds) be pre-cleared by the CCO, the institution of buy-and-hold policies for equity securities and SkyBridge advised and sub-advised funds, and the requirement that all "Access Persons" report their personal securities transactions to the CCO in accordance with Rule 204A-1.

"Access Persons" include all of SkyBridge's directors and officers, as well as any persons supervised by SkyBridge who (i) have access to nonpublic information regarding the purchase or sale of securities by an Advisory Client, (ii) are involved in making securities recommendations to Advisory Clients, or (iii) have access to such recommendations that are non-public. Under SkyBridge's Code of Ethics, all managing members, officers and employees of SkyBridge are deemed both Access Persons and supervised persons for purposes of Rule 204A-1.

The Code of Ethics sets forth a standard of business conduct that takes into account SkyBridge's status as a fiduciary and requires Access Persons to place the interests of Advisory Clients above their own interests and the interests of SkyBridge. Access Persons must not take any inappropriate advantage of their positions. The Code of Ethics requires Access Persons to comply with applicable Federal securities laws. Further, Access Persons are required to promptly bring violations of the Code of Ethics to the attention of the CCO. All Access Persons are provided with a copy of the Code of Ethics and are required to acknowledge receipt of the Code of Ethics upon hire and on at least an annual basis thereafter.

As described in Items 4 and 10, generally, affiliates of SkyBridge act as the general partner or managing member of certain SkyBridge Funds structured as limited partnerships or limited liability companies and as such have an economic interest in the performance of those SkyBridge Funds. In addition, certain Access Persons invest in the SkyBridge Funds. Access Persons may also invest directly in the Investment Funds in which one or more SkyBridge Funds invest upon approval from the CCO. To the extent that SkyBridge's affiliates (and therefore certain Access Persons) have financial ownership interests in a SkyBridge Fund, a potential conflict could be created in that it could cause SkyBridge to make different investment decisions than if such parties did not have such financial ownership interests. Further, potential conflicts may arise due to SkyBridge's affiliates and Access Persons having investments in some SkyBridge Funds or Investment Funds that are greater than their investments in other SkyBridge Funds or Investments Funds. SkyBridge addresses such potential conflicts by the regular account reviews described in Item 13, as well as the personal securities transaction pre-clearance and reporting requirements covered by the Code of Ethics.

In addition, Access Persons may purchase or sell individual securities that a SkyBridge Fund or a Managed Account may purchase or sell. This presents a potential conflict in that Access Persons could make improper use of Advisory Client information for their own benefit. SkyBridge addresses this potential conflict through its internal policies and procedures, which prohibit front-running and other improper uses of information, and through regular monitoring of Access Person personal account transactions and trading patterns for potential conflicts of interest. Further, Access Persons may take actions for their personal accounts that differ from or conflict with actions taken for Advisory Client accounts, and these actions may impact the price or availability of securities to Advisory Clients.

Each Access Person is required to provide the CCO with confirmations, account statements, quarterly transaction reports and annual holdings reports with respect to all personal securities transactions. The CCO monitors these transactions for conflicts of interest and seeks to ensure strict adherence to the Code of Ethics.

A copy of SkyBridge's Code of Ethics is available upon request.

Item 12: Brokerage Practices

As an investment advisory firm, SkyBridge has a fiduciary and fundamental duty to seek best execution for Advisory Client transactions. SkyBridge, as a matter of policy and practice, seeks to obtain best execution for Advisory Client transactions (i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances). This applies to direct investing, or the purchase of limited partnership interests by Advisory Clients. With respect to SkyBridge's fund-of-funds business, because interests in Investment Funds are purchased directly from the Investment Fund at net asset value without the payment of a placement fee or commission, most best execution principles do not readily apply to such transactions, although they do apply in those instances where a SkyBridge fund-of-fund purchases publicly traded or privately placed equities. Further, in the case of SkyBridge Funds which are funds-of-funds, at times there may be opportunities to access or implement investment strategies through SEC-registered investment companies formed as exchanged-traded funds.

SkyBridge generally has authority to select the broker-dealer to be used in each transaction for the Advisory Clients engaged in direct investing, or funds-of-funds trading, and for negotiating the fees to be paid to the broker-dealer in connection with such transactions. SkyBridge recognizes its duty to obtain "best execution." Consistent with such duty, in determining best execution, SkyBridge takes into account the full range and quality of a broker-dealer's services, including research and other services. SkyBridge does not select broker-dealers solely on the basis of lowest possible commission costs, but by the best qualitative execution. Consistent with such policy, consideration is given to a variety of factors, including but not limited to the following: (i) price, (ii) the ability of the brokers and dealers to effect the transactions, (iii) facilities, reliability and financial responsibility and (iv) research-related services provided.

While SkyBridge's primary consideration in allocating portfolio transactions to broker-dealers is to obtain favorable prices and efficient executions, SkyBridge does not have an obligation to, and does not always seek to, obtain the lowest priced execution regardless of qualitative considerations. In determining best execution, SkyBridge may take into account the full range and quality of a broker's services that benefit an account under management such as brokerage, research and other services. Therefore, SkyBridge may not necessarily negotiate "execution only" commission rates and may "pay up" for research and other services provided by the broker through the commission rate ("soft dollars"), which may result in higher transaction costs than would be otherwise obtainable. Section 28(e) of the Exchange Act provides a safe harbor that permits an investment manager with investment discretion to obtain research and other products and services provided by a broker-dealer that assist the manager in making investment decisions if the manager determines, in good faith, that the brokerage rates charged by such broker are reasonable in light of the services provided. Such products and services obtained through the use of commissions generated with respect to one Advisory Client's portfolio transactions may be used with respect to any or all of the manager's other Advisory Clients. SkyBridge's policy is to stay within the Section 28(e) safe harbor. As such, SkyBridge will only receive products and services that have a mixed use if it makes a good faith allocation of the value of the non-research products and services it receives and pays for such non-research items in hard dollars.

SkyBridge did not utilize soft dollars in its most recently-completed fiscal year. SkyBridge does not have directed brokerage arrangements. In those cases where an Advisory Client would designate a broker or dealer through which transactions should be effected, it may not be possible for SkyBridge to obtain for such Advisory Client the lower rates that might be obtainable if SkyBridge had full discretion in the selection of the executing broker or dealer.

SkyBridge may aggregate orders on behalf of multiple Advisory Clients when consistent with law and best execution. As a general matter, when SkyBridge aggregates Advisory Client purchase or sale orders, no

Advisory Client will be systematically advantaged over any other Advisory Client. Each Advisory Client that participates in an aggregated order for any given security will participate at the average share price for all Advisory Client transactions in aggregated orders for such day. Fully filled aggregated orders will be allocated among Advisory Clients in a manner consistent with SkyBridge's internal policies and procedures regarding allocations, and partially filled orders will be allocated pro rata among Advisory Clients.

SkyBridge may also engage in cross trades on behalf of Advisory Clients. Cross trades involve the transfer, sale or purchase of assets from one Advisory Client to another Advisory Client without the use of a broker-dealer. SkyBridge may engage in cross trading where permissible, if it determines that such action would be favorable to both Advisory Clients and the conditions for the transaction are fair to both parties. In such circumstances, SkyBridge will not receive compensation for arranging the transaction. SkyBridge has adopted a cross trading policy to address any potential conflicts which might arise from effecting trades between Advisory Client accounts. This policy prohibits SkyBridge from effecting a trade between Advisory Clients if one of the Advisory Clients is a 1940 Act registered fund, or an Employee Retirement Income Security Act of 1974 Advisory Client or a governmental plan Advisory Client. The policy permits SkyBridge to effect trades between Advisory Client accounts which are not U.S. registered open-end and closed-end investment companies subject to certain restrictions, including the requirements that:

- SkyBridge does not receive any compensation (other than its advisory fee), directly or indirectly, for arranging the cross transaction;
- SkyBridge ensures that the transaction occurs at a fair price – i.e., where closing market prices are not available, best execution principles obligate SkyBridge to seek at least two, and preferably three, price quotes from independent broker-dealers, or, in the absence of a market, alternative comparable third party safeguards must be implemented; and
- SkyBridge ensures that the transaction is in the best interests of both parties.

Any cross trades involving U.S. registered open-end and closed-end investment companies are carried out in accordance with Rule 17a-7 under the 1940 Act and applicable policies and procedures.

Item 13: Review of Accounts

On a regular and ongoing basis, SkyBridge reviews Advisory Client activity and investment results. These reviews are generally conducted by a combination of a SkyBridge Co-Chief Investment Officer and Portfolio Managers. SkyBridge also periodically consults with Advisory Clients to update financial information and investment objectives and to determine whether any changes to investment restrictions typically contained in investment management agreements between its Advisory Clients and SkyBridge are appropriate. Any restrictions that an Advisory Client imposes on the management of an account may cause SkyBridge to deviate from investment decisions it would otherwise make in managing the account.

For each SkyBridge Fund, investors are provided with: (i) the monthly net asset value of the Fund; (ii) an annual audited financial report and summary update of the Fund's investments; (iii) annual tax information necessary for the completion of U.S. federal income tax returns, as appropriate; and (iv) such other information as SkyBridge determines in its sole discretion from time to time. Monthly information generally will be provided within forty-five (45) days following such month end or earlier to the extent required by applicable law, including the 1940 Act. Managed Accounts are provided with comparable information. SkyBridge also provides a month-end preliminary performance estimate which is also available by emailing IR@skybridge.com. SkyBridge may provide additional information to investors and their representatives upon request. In connection with requests for additional information, SkyBridge may require information from the recipient and the execution of an agreement to retain the confidentiality of the information provided. SkyBridge Funds operating as 1940 Act registered investment companies file quarterly and annual reports with the SEC, which are available at www.sec.gov.

Item 14: Advisory Client Referrals and Other Compensation

Occasionally, Advisory Clients or investors in certain SkyBridge Funds may be referred to SkyBridge by SkyBridge employees or SkyBridge's affiliates. SkyBridge may also enter into arrangements with unaffiliated parties that refer Advisory Clients or investors in certain SkyBridge Funds to SkyBridge. Any such third party referral arrangements will be conducted in accordance with Rule 206(4)-1 under the Advisers Act. Payments under such arrangements will generally consist of a cash payment computed as a percentage of the referred Advisory Client's advisory fee, although other methods of computation may be used.

Employees are prohibited from offering or providing any compensation to a third party to solicit or refer Advisory Clients or investors or otherwise provide a testimonial or endorsement of SkyBridge or its personnel unless they have obtained prior written approval from the CCO. "Compensation" includes cash as well as non-cash compensation, such as gifts, directed brokerage, fee discounts and any other thing of value. Unless the amount of compensation is de minimis (i.e., less than a total of \$1,000 (or the equivalent value in non-cash compensation) during the preceding 12 months), the CCO will, in connection with each such arrangement:

- Ensure that SkyBridge has a written agreement with each promoter that describes the scope of the agreed-upon activities and the terms of compensation for those activities.
- If the promoter is providing a testimonial or endorsement in relation to a private fund that is making a Rule 506 securities offering under the 1933 Act, obtain confirmation from the promoter that it would not be deemed a "bad actor" under Rule 506(d) under Regulation D of the 1933 Act.
- If the promoter is providing a testimonial or endorsement as part of a private fund offering that is relying on a 1933 Act exemption other than Rule 506 thereunder, or not in connection with a private fund offering, and if the promoter is registered as a broker or dealer, obtain confirmation from the promoter that it is registered as a broker-dealer under Section 15(b) of the Exchange Act and is not subject to statutory disqualification, as defined under section 3(a)(39) of the Exchange Act.
- If the promoter is providing a testimonial or endorsement as part of a private fund offering that is relying on a 1933 Act exemption other than Rule 506 thereunder, or not in connection with a private fund offering, and if the promoter is not registered as a broker-dealer, obtain confirmation from the promoter that it is not an ineligible person as defined in Rule 206(4)-1 under the Advisers Act (the "Marketing Rule").
- Ensure that necessary steps are being taken to establish a reasonable basis for believing that the promoter's testimonials or endorsements 1) include the applicable disclosure prescribed by the Marketing Rule, unless the promoter is registered as a broker or dealer under Section 15(b) of the Exchange Act and all of its testimonials or endorsements are recommendations subject to Regulation Best Interest under such act, and 2) comply with the Marketing Rule's requirements;
- The CCO will ensure documentation is maintained in connection with this process.

Item 15: Custody

SkyBridge does not maintain direct custody of Advisory Client assets. However, under Rule 206(4)-2 under the Advisers Act, “custody” is broadly defined to also include holding indirectly Advisory Client funds or securities, or having any authority to obtain possession of them. In particular, SkyBridge is considered to have custody with respect to the SkyBridge Funds to the extent SkyBridge or an affiliate of SkyBridge serves in a capacity that gives it legal ownership of or access to the SkyBridge Funds’ funds or securities (such as general partner of a limited partnership, managing member of a limited liability company or a comparable position for another type of pooled investment vehicle). SkyBridge is also considered to have custody with respect to certain SkyBridge Funds and Managed Accounts if SkyBridge is authorized under the Advisory Client’s agreement with SkyBridge to withdraw Advisory Client funds or securities maintained with a third-party custodian upon SkyBridge’s instruction to the third-party custodian. At present, SkyBridge is not authorized under any Managed Account agreement to withdraw Advisory Client funds or securities, but may do so with respect to certain SkyBridge Funds enumerated in Part 1A of SkyBridge’s Form ADV.

In order to avoid any conflict of interest that indirect custody of Advisory Client assets may cause, SkyBridge complies with Rule 206(4)-2 under the Advisers Act by using the exemption for the annual audit of SkyBridge Funds’ financial statements and the delivery of such audited financial statements to SkyBridge Fund investors in the timeframe required under such Rule. Investors in SkyBridge Funds should review those financial statements carefully. In certain circumstances SkyBridge may decide to use its discretion to instead comply with such Rule by (i) sending a notice to Advisory Clients meeting the requirements of Rule 206(4)-2, (ii) confirming that the qualified custodian sends quarterly account statements to Advisory Clients and (iii) undergoing an annual surprise examination by an independent public accountant to verify Advisory Client funds and securities.

In the SkyBridge Fund-of-Funds business, SkyBridge’s authority to cause any Advisory Client to withdraw or redeem from an underlying Investment Fund is subject to the condition that the underlying Investment Fund be instructed, at the time of withdrawal or redemption, to remit any withdrawal or redemption proceeds directly to the Advisory Client’s custodian.

SkyBridge will seek to maintain digital assets with custodians that are “qualified custodians” within the meaning of Rule 206-4(2) under the Advisers Act, however, given the rapid pace of development and change in the digital asset area, there can be no assurances that there will be a “qualified custodian” that provides custody services for any given digital asset. By investing in the SkyBridge Digital Funds, investors acknowledge that it may not be possible to maintain certain digital assets with a “qualified custodian” and that such custody arrangements may entail greater risk of loss than a custody arrangement with a “qualified custodian.”

Item 16: Investment Discretion

SkyBridge's investment management services are provided pursuant to the terms of an investment advisory agreement with the Advisory Client and in certain cases the organizational documents of the SkyBridge Fund and/or Managed Account. With respect to Managed Accounts, Advisory Clients are generally permitted to impose investment restrictions with respect to their assets by providing SkyBridge with written notice, as long as SkyBridge reasonably deems the restriction to be appropriate and agrees to the investment restriction in a modified investment advisory agreement with the Advisory Client. Any restrictions an Advisory Client imposes on the management of a Managed Account may cause SkyBridge to deviate from investment decisions it would otherwise make in managing the account.

Item 17: Voting Advisory Client Securities

Where SkyBridge provides advice to SkyBridge Funds or Managed Accounts that invest directly in voting securities, those SkyBridge Funds or Managed Accounts may receive notices or proposals from companies in which they are invested seeking the consent of, or voting by, investors (“proxies”). Because investments in Investment Funds by SkyBridge on behalf of SkyBridge funds-of-funds do not typically convey traditional voting rights, and the occurrence of corporate governance or other consent or voting matters for this type of investment is substantially less than that encountered in connection with investing directly in equity securities, it is unlikely that any SkyBridge funds-of-funds will be solicited to vote a proxy for an underlying Investment Fund investment.

The SkyBridge Funds and the Managed Accounts have delegated the voting of proxies in respect of portfolio holdings to SkyBridge to vote proxies in accordance with SkyBridge’s proxy voting guidelines and procedures. In general, SkyBridge believes that voting proxies in accordance with the policies described below will be in the best interests of Advisory Clients.

- In the absence of specific voting guidelines mandated by a particular Advisory Client, SkyBridge will vote proxies in the best interests of each Advisory Client (which theoretically could result in different voting results for the same underlying issuer). Although voting certain proxies may be subject to the discretion of SkyBridge, SkyBridge is of the view that voting proxies in accordance with the following general guidelines is in the best interest of its Advisory Clients:
 - SkyBridge will generally vote in favor of normal corporate housekeeping proposals including, but not limited to, the following:
 - election of directors (where there are no related corporate governance issues);
 - selection or reappointment of auditors; or
 - increasing or reclassifying common stock.
 - SkyBridge will generally vote against proposals that:
 - make it more difficult to replace members of the issuer’s board of directors or board of managers; or
 - introduce unequal voting rights (although there may be regulatory reasons that would make such a proposal favorable to certain Advisory Clients).
- For proxies addressing any other issue (for the SkyBridge funds-of-funds business, to the extent voting shares are issued, this may include proposals related to fees paid to Investment Managers of underlying Investment Funds, redemption rights provided by underlying Investment Funds or investment objective modifications), the CCO, portfolio manager, or other designated officer, shall determine (which may be based upon the advice of external lawyers or accountants) whether a proposal is in the best interest of affected Advisory Clients. In doing so, SkyBridge will evaluate a number of factors which may include, but are not limited to:
 - the performance of the underlying investment in question;
 - a comparison of the proposed changes to terms which are customary in the industry; and

- for the SkyBridge funds-of-funds business, consideration of the risk that the Investment Manager of the Investment Fund will require the SkyBridge fund-of-funds to withdraw if the required change is not approved.

In exercising its voting discretion, SkyBridge will seek to avoid any direct or indirect conflict of interest presented by the voting decision. If any substantive aspect or foreseeable result of the matter to be voted on presents an actual or potential conflict of interest involving SkyBridge, SkyBridge will, if feasible, make written disclosure of the conflict to the Advisory Client indicating how SkyBridge proposes to vote on the matter and its reasons for doing so. Investors in SkyBridge Funds and holders of Managed Accounts may obtain a copy of SkyBridge's proxy voting policies and procedures, as well as information as to how SkyBridge voted Advisory Clients' proxies, by calling or writing to SkyBridge at the number or address printed on the front of this brochure. In addition, each of the 1940 Act Funds is required to file annually its proxy voting record on Form N-PX with the SEC by August 31 of each year. This filing is (or will be) available on the SEC's website at www.sec.gov.

In situations where an Advisory Client retains the ability to vote proxies, they will receive their proxies or other solicitations directly from their custodian or transfer agent.

Item 18: Financial Information

Not Applicable.