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SkyBridge
Multi-Adviser Hedge Fund Portfolios LLC

Annual Report

March 31, 2016

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
SkyBridge Multi-Adviser Hedge Fund Portfolios LLC:

We have audited the accompanying statement of assets and liabilities of SkyBridge Multi-Adviser Hedge Fund Portfolios LLC (the Company), including the schedule of investments, as of March 31, 2016, and the related statements of operations and cash flows for the year then ended, the statements of changes in shareholders' capital for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of investments in Investment Funds owned as of March 31, 2016, by correspondence with underlying fund managers or by other appropriate auditing procedures where replies from underlying fund managers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of SkyBridge Multi-Adviser Hedge Fund Portfolios LLC as of March 31, 2016, and the results of its operations and its cash flows for the year then ended, the changes in its shareholders' capital for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles

KPMG LLP

May 27, 2016

SkyBridge Multi-Adviser Hedge Fund Portfolios LLC
Statement of Assets and Liabilities
March 31, 2016

Assets		
Investments in Investment Funds, at fair value (cost $5,737,766,179)	$	5,987,063,257
Cash		134,238,161
Receivable for redemptions from Investment Funds		900,563,579
Investments in Investment Funds paid in advance		177,700,000
Other assets		102,983
Total assets		7,199,667,980
Liabilities		
Loan payable		250,000,000
Redemptions payable		231,115,317
Contributions received in advance		30,114,017
Management fee payable		8,646,267
Professional fees payable		418,342
Interest payable		262,381
Directors' fees payable		112,355
Accounts payable and other accrued expenses		1,747,561
Total liabilities		522,416,240
Shareholders' Capital (6,161,653.791 Shares Outstanding)	$	6,677,251,740
Net asset value per share	$	1,083.68
Composition of Shareholders' Capital		
Paid-in capital	$	7,351,715,865
Accumulated net investment loss		(190,909,509)
Accumulated net realized loss on sales of investments in Investments Funds		(732,851,694)
Accumulated net unrealized appreciation on investments		249,297,078
Shareholders' Capital	$	6,677,251,740

See accompanying notes to financial statements.

SkyBridge Multi-Adviser Hedge Fund Portfolios LLC
Schedule of Investments
March 31, 2016

	Cost	Fair Value	% of Shareholders' Capital
Investments in Investment Funds - **			
Directional Equity			
Omega Capital Investors, L.P. - b	$ 250,896	$ 217,795	0.01%
Passport Global Strategies III, Ltd. - d	455,346	14,293	0.00*
Passport II, L.P. - b	194,911,759	180,393,768	2.70
Total Directional Equity	195,618,001	180,625,856	2.71
Directional Macro			
Drawbridge Global Macro Fund Ltd and Subsidiary - Side Pocket 12 - d	160,957	76,643	0.00*
Drawbridge Global Macro Fund Ltd and Subsidiary - Side Pocket 4 - d	100,526	79,689	0.00*
Drawbridge Global Macro Fund Ltd and Subsidiary - Side Pocket 5 - d	19,843	24,044	0.00*
Drawbridge Global Macro Fund Ltd and Subsidiary - Side Pocket 7 - d	1,245	2,965	0.00*
Drawbridge Global Macro Fund Ltd and Subsidiary - Side Pocket Reserve - d	5,723	5,821	0.00*
ESG Credit Macro Event Fund LP - a	25,000,000	22,379,390	0.33
Hayman Capital Offshore Partners LP - b	59,598,934	52,167,190	0.78
Hayman Capital Offshore Partners LP - Special Account - d	6,625,315	5,115,533	0.08
Hayman Capital Partners LP - b	86,132,636	75,385,071	1.13
Hayman Capital Partners LP - Special Account - d	5,845,862	4,513,771	0.07
Rubicon Global Fund - a	35,000,000	32,632,090	0.49
Total Directional Macro	218,491,041	192,382,207	2.88
Event Driven			
400 Capital Credit Opportunities Fund LP - b,e	98,000,040	89,608,537	1.34
Alden Global CRE Opportunities Fund (Cayman), L.P. - b,e	29,000,000	27,801,985	0.42
Alden Global CRE Opportunities Fund, LP - b,e	28,000,000	26,850,350	0.40
Alden Global Hellenic Opportunities Fund (Cayman), L.P. - a,f	38,500,000	36,071,919	0.54
Alden Global Hellenic Opportunities Fund, LP - a,f	1,000,000	916,576	0.01
Amber Global Opportunities Fund LTD - Class L(R) - b,e	39,000,000	41,249,216	0.62
Axonic Credit Opportunities Fund L.P. - b	147,000,000	176,759,128	2.65
Axonic Credit Opportunities Overseas Fund, Ltd. - b	183,021,252	190,074,021	2.85
Brevan Howard Argentina Fund Limited - a	13,165,675	13,955,605	0.21
Carrington Holding Company LLC 144A PIK Global Note - d,g	10,625,967	2,069,488	0.03
CPIM Structured Credit Fund 1000 Inc. - d	7,956	11,168	0.00*
CPIM Structured Credit Fund 1500 Inc. - d	31,557	10,111	0.00*
Ellington Credit Opportunities Fund Ltd - b,e	119,000,000	113,741,446	1.70
Ellington Credit Opportunities Partners, L.P. - b,e	50,000,000	47,783,708	0.72
GoldenTree Offshore Fund, Ltd. - Class C - b	54,054,500	55,426,032	0.83
GoldenTree Offshore Fund, Ltd. - Side pocket 8 - d	945,500	2,870,985	0.04
Harbinger Class L Holdings (Cayman), Ltd. - d	26,140	83,421	0.00*
Harbinger Class LS Holdings I (Cayman), Ltd. - d	2,521,662	377,482	0.01
Harbinger Class PE Holdings (Cayman), Ltd. - d	2,288,512	1,011,653	0.02
LLSD L.P. - c	8,418,410	8,945,792	0.13
LLSOF L.P. - c	1,924,225	2,044,755	0.03
Marathon European Credit Opportunity Fund II LP - c	68,376,198	72,780,039	1.09
Marathon European Credit Opportunity Fund, LP - c	24,492,906	29,390,049	0.44
Marathon Securitized Credit Fund, L.P. - b,e	49,000,000	47,357,746	0.71

See accompanying notes to financial statements.

	Cost	Fair Value	% of Shareholders' Capital
Investments in Investment Funds - ** (continued)			
Event Driven (continued)			
Marathon Securitized Credit Fund, Ltd. - b,e	$ 216,877,117	$ 240,488,560	3.60%
Marathon Special Opportunity Fund Ltd. - Class SP 10 - d	571,214	364,092	0.01
Marathon Structured Finance Fund Ltd. - Class D Series 1 - d	74,507	171,220	0.00*
Metacapital Mortgage Value Fund, L.P. - b	9,375,000	11,816,317	0.18
Metacapital Mortgage Value Fund, Ltd. - b	15,000,000	14,630,480	0.22
Paulson Enhanced Ltd. - b	384,000,001	258,229,839	3.87
Polygon European Equity Opportunity Fund Class A - b,e	50,061,600	52,072,076	0.78
Polygon European Equity Opportunity Fund Class B - b,e	39,999,585	42,122,055	0.63
Premium Point Erisa Offshore Mortgage Credit Fund, Ltd. - d	37,498,269	26,468,060	0.40
Premium Point Mortgage Credit Fund, L.P. - d	47,500,000	42,530,137	0.64
Premium Point Offshore Mortgage Credit Fund, Ltd. - d	77,034,537	60,704,859	0.91
Seer Capital Partners Fund L.P. - b	185,120,981	184,270,963	2.76
Seer Capital Partners Offshore Fund Ltd. - b	105,000,000	95,113,291	1.42
SMS Ltd. - b,e	90,500,000	97,500,151	1.46
Sola 1 Class T2 - b,e	198,000,000	219,574,762	3.29
Sola LTD - b,e	233,422,153	235,911,923	3.53
Solus LLC - b,e	183,440,698	194,311,750	2.91
Solus Recovery Fund II LP - c	3,359,864	3,679,889	0.05
Solus Recovery Fund II Offshore LP - c	4,620,215	5,053,983	0.08
Stark Investments Structured Finance Onshore Fund - d	127,396	101,330	0.00*
Third Point Hellenic Recovery US Feeder Fund, L.P. - c	37,206,305	31,165,651	0.47
Third Point Ultra, Ltd. - b	72,039,587	67,108,908	1.00
Trian Partners LP - b	35,665,080	41,671,507	0.62
Waterfall Eden Fund, L.P. - b,e	74,969,383	80,787,963	1.21
Waterfall Eden Fund, Ltd. - b,e	42,286,204	44,282,418	0.66
York European Opportunities Fund LP - b	159,741,199	157,815,960	2.36
York European Opportunities Unit Trust - b	100,000,000	96,253,664	1.44
Total Event Driven	3,371,891,395	3,291,393,020	49.29
Relative Value			
Argentiere Fund Ltd - b	216,000,000	206,657,167	3.09
Atlas Enhanced Fund, Ltd. - a	316,000,000	303,020,503	4.54
Atlas Fundamental Trading Fund LP - a	41,000,000	40,793,390	0.61
Discus Non-US Side Holdings Ltd. - Class S - d	237,388	233,685	0.00*
EJF Debt Opportunities Fund, L.P. - b	40,931,650	47,824,032	0.72
EJF Debt Opportunities Offshore Fund, Ltd. - b	30,015,369	28,964,435	0.43
Linden International Ltd. - b,e	26,500,000	26,067,075	0.39
Linden Investors LP - b,e	47,000,000	47,816,267	0.72
MBS Agency Master Fund L.P. - b	167,000,000	180,411,580	2.70
Metacapital Mortgage Opportunities Fund, L.P. - b,e	33,040,227	60,507,330	0.91
Metacapital Mortgage Opportunities Fund, L.P. Class B - b,e	21,750,000	27,049,573	0.40
Metacapital Mortgage Opportunities Fund, Ltd. Class B - b,e	133,879,364	234,429,229	3.51
Metacapital Mortgage Opportunities Fund, Ltd. Class E - b,e	27,000,000	41,712,883	0.62

See accompanying notes to financial statements.

	Cost	Fair Value	% of Shareholders' Capital
Investments in Investment Funds - ** (continued)			
Relative Value (continued)			
Metacapital Rising Rates Fund, L.P. Class B - b	$ 50,000,000	$ 50,158,907	0.75%
Metacapital Rising Rates Fund, Ltd. Class B - b	78,000,000	78,248,366	1.17
Midway Market Neutral Institutional Fund LLC - a	55,090,234	55,867,585	0.84
Midway Market Neutral International Fund, Ltd. - a	46,627,007	69,960,401	1.05
Millennium International Limited - b,e	36,240,000	35,638,561	0.53
Providence MBS Fund LP - b	89,000,000	89,207,710	1.34
Providence MBS Fund, Ltd. - b	127,000,000	127,298,830	1.91
SPM Core Offshore Fund, Ltd - b	48,473,283	52,714,187	0.79
SPM Macro Fund, L.P. - b	24,000,000	24,725,338	0.37
SPM Macro Offshore Fund, SPC. - b	6,000,000	6,177,670	0.09
Structured Servicing Holdings Offshore Ltd - a	86,280,727	192,490,246	2.88
Structured Servicing Holdings, L.P. - a	26,900,493	110,136,668	1.65
Tilden Park Liquid Mortgage Master Fund LP - a,e	108,000,000	108,158,315	1.62
TT Long/Short Focus Fund Feeder Segregated Portfolio Class B2 - a	22,500,000	21,831,556	0.33
TT Long/Short Focus Fund US Feeder Segregated Portfolio - a	12,500,000	12,125,060	0.18
WAF Fund, LP - a	12,650,000	16,034,773	0.24
WAF Offshore Fund, Ltd. - a	22,150,000	26,400,852	0.40
Total Relative Value	1,951,765,742	2,322,662,174	34.78
Total Investments in Investment Funds	**$5,737,766,179**	**$5,987,063,257**	**89.66**
Other Assets, less Liabilities		**690,188,483**	**10.34**
Shareholders' Capital		**$6,677,251,740**	**100.00%**

Note: Investments in underlying Investment Funds are categorized by investment strategy.
a Redemptions permitted monthly.
b Redemptions permitted quarterly.
c Term vehicles with multi-year hard lock, subject to periodic distributions. The Company held $153,060,158 (2.56% of total Investments in Investment Funds) of term vehicles at March 31, 2016.
d Illiquid, redeemable only when underlying investment is realized or converted to regular interest in Investment Fund. The Company held $146,840,450 (2.45% of total Investments in Investment Funds) of illiquid investments at March 31, 2016.
e Subject to gated redemptions.
f Subject to a current lock-up on liquidity provisions on a greater than quarterly basis.
g Illiquid, directly held senior unsecured notes.
* Amounts are less than 0.005%.
** FASB Accounting Standards Codification 946-210-50-9 requires that the Company provide supplemental information to the Schedule of Investments if the Company's indirect proportional share of any investment owned by the Investment Funds, individually and collectively, exceeds 5% of the Company's net assets. Performing this analysis requires obtaining detailed holding information from all significant Investment Funds. However, approximately 60% of the Company's Investment Funds are non-US corporations which do not provide management with details of their holdings. Accordingly, management's ability to comply with this requirement is necessarily limited to a review of detailed holding information from domestic partnerships. The Company is able to monitor its diversification requirements under the Internal Revenue Code to ensure ongoing compliance.

See accompanying notes to financial statements.

SkyBridge Multi-Adviser Hedge Fund Portfolios LLC
Statement of Operations
Year Ended March 31, 2016

Expenses		
Management fee	$	109,080,597
Administration fees		9,986,657
Risk monitoring fees		2,795,964
Interest expense		1,242,292
Custodian fees		1,132,752
Professional fees		1,078,432
Filing fees		791,375
Director's fees and expenses		224,400
Miscellaneous expenses		2,861,463
Total expenses		129,193,932
Net investment loss		(129,193,932)
Net realized gain and net change in unrealized depreciation on investments in Investment Funds		
Net realized gain on sales of investments in Investment Funds		90,655,648
Net change in unrealized depreciation on investments in Investment Funds		(860,188,311)
Net realized and unrealized loss on investments in Investment Funds		(769,532,663)
Net decrease in Shareholders' capital from operations	$	(898,726,595)

See accompanying notes to financial statements.

SkyBridge Multi-Adviser Hedge Fund Portfolios LLC
Statements of Changes in Shareholders' Capital

	Year Ended March 31, 2016	Year Ended March 31, 2015
Operations		
Net investment loss	$ (129,193,932)	$ (117,101,701)
Net realized gain on sales of investments in Investment Funds	90,655,648	465,342,886
Net change in unrealized depreciation on investments in Investment Funds	(860,188,311)	(147,713,825)
Net increase/(decrease) in Shareholders' Capital from Operations	(898,726,595)	200,527,360
Distributions to Shareholders		
Distributions from net investment income	(53,911,901)	(196,837,397)
Distributions from net realized gains	(98,673,036)	(245,567,771)
Decrease in Shareholders' Capital from Distributions to Shareholders	(152,584,937)	(442,405,168)
Shareholders' Capital Transactions		
Capital contributions	981,030,932	1,697,804,204
Reinvestment of distributions	141,222,732	411,164,891
Capital redemptions	(562,145,340)	(281,790,541)
Increase in Shareholders' Capital from Capital Transactions	560,108,324	1,827,178,554
Shareholders' Capital at beginning of year	7,168,454,948	5,583,154,202
Shareholders' Capital at end of year (6,161,653.791 and 5,723,530.419 shares outstanding at March 31, 2016 and March 31, 2015, respectively)	$ 6,677,251,740	$ 7,168,454,948
Accumulated Net Investment Loss	$ (190,909,509)	$ (236,985,135)

See accompanying notes to financial statements.

SkyBridge Multi-Adviser Hedge Fund Portfolios LLC
Statement of Cash Flows
Year Ended March 31, 2016

Cash flows from operating activities		
Net decrease in Shareholders' capital from operations	$	(898,726,595)
Adjustments to reconcile net decrease in Shareholders' capital from operations to net cash used in operating activities:		
Purchases of investments in Investment Funds		(3,027,118,210)
Proceeds from disposition of investments in Investment Funds		2,547,097,560
Net realized gain on sales of investments in Investment Funds		(90,655,648)
Net change in unrealized depreciation on investments in Investment Funds		860,188,311
Changes in operating assets and liabilities:		
Decrease in other assets		157,648
Decrease in management fee payable		(420,725)
Increase in professional fees payable		80,225
Increase in interest payable		261,794
Increase in directors' fee payable		25,786
Increase in accounts payable and other accrued expenses		284,194
Net cash used in operating activities		(608,825,660)
Cash flows from financing activities		
Capital contributions, net of change in contributions received in advance		908,481,455
Distributions paid		(11,362,205)
Capital redemptions, net of change in redemptions payable		(407,127,920)
Proceeds from loan payable		1,125,900,000
Payments for loan payable		(885,900,000)
Proceeds from secured note payable		590,000,000
Payments for secured note payable		(590,000,000)
Net cash provided by financing activities		729,991,330
Net increase in cash		121,165,670
Cash at beginning of year		13,072,491
Cash at end of year	$	134,238,161
Supplemental disclosure of financing activities:		
Decrease in contributions received in advance	$	(72,549,477)
Increase in redemptions payable	$	155,017,420
Reinvestment of distributions	$	141,222,732
Supplemental disclosure of cash flow information:		
Interest paid during the year	$	980,498

See accompanying notes to financial statements.

SkyBridge Multi-Adviser Hedge Fund Portfolios LLC
Financial Highlights

	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012
Net Asset Value per Share, beginning of year:	$ 1,252.45	$ 1,300.72	$ 1,197.38	$ 1,123.76	$ 1,131.95
Income/(loss) from investment operations:					
Net investment loss*	(21.18)	(23.07)	(22.12)	(22.45)	(20.12)
Net realized and unrealized gain/(loss) from investments	(123.10)	59.46	169.91	233.82	30.32
Total income/(loss) from investment operations	(144.28)	36.39	147.79	211.37	10.20
Distributions from net investment income	(8.65)	(46.99)	(44.45)	(137.75)	(18.39)
Distributions from net realized gains	(15.84)	(37.67)	–	–	–
Total distributions	(24.49)	(84.66)	(44.45)	(137.75)	(18.39)
Net Asset Value per Share, end of year:	$ 1,083.68	$ 1,252.45	$ 1,300.72	$ 1,197.38	$ 1,123.76
Total return	(11.64%)	2.97%	12.47%	19.44%	1.01%
Ratios/Supplemental Data:					
Shareholders' capital, end of year	$ 6,677,251,740	$ 7,168,454,948	$ 5,583,154,202	$ 3,550,525,038	$ 2,306,234,152
Portfolio turnover	41.92%	22.36%	27.72%	19.99%	19.66%
Ratio of expenses to average Shareholders' capital**	1.77%	1.78%	1.76%	1.88%	1.78%
Ratio of net investment loss to average Shareholders' capital**	(1.77%)	(1.78%)	(1.76%)	(1.88%)	(1.78%)

The above ratios and total returns may vary for individual investors based on the timing of capital transactions during the year.

* Per share data of income (loss) from investment operations is computed using the total of monthly income and expense divided by beginning of month shares.

** The ratios of expenses and net investment loss to average Shareholders' capital do not include the impact of expenses and incentive allocations or incentive fees related to the underlying Investment Funds or the impact of any placement fees paid by the Shareholder.

See accompanying notes to financial statements.

1. Organization

SkyBridge Multi-Adviser Hedge Fund Portfolios LLC (formerly known as Citigroup Alternative Investments Multi-Adviser Hedge Fund Portfolios LLC) (the "Company") was organized as a Delaware limited liability company on August 16, 2002. The Company is registered under the Investment Company Act of 1940 as amended (the "1940 Act"), as a closed-end, non-diversified management investment company. The Company is also registered under the Securities Act of 1933 as amended (the "1933 Act").

The investment objective of the Company is to achieve capital appreciation principally through investing in investment funds ("Investment Funds") managed by third-party investment managers ("Investment Managers") that employ a variety of alternative investment strategies. These investment strategies allow Investment Managers the flexibility to use leveraged and/or short-sale positions to take advantage of perceived inefficiencies across the global markets, often referred to as "alternative" strategies. Because the Investment Funds following alternative investment strategies are often described as hedge funds, the investment program of the Company can be described as a fund of hedge funds.

Shares of the Company ("Shares") are sold to eligible investors (referred to as "Shareholders"). The minimum initial investment in the Company from each Shareholder is $25,000; the minimum additional investment is $10,000.

SkyBridge Capital II, LLC (the "Adviser"), a Delaware limited liability company, serves as the Company's investment adviser. The Adviser is registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and, among other things, is responsible for the allocation of the Company's assets to various Investment Funds. Under the Company's governing documents, the Company has delegated substantially all authority to oversee the management of the operations and assets of the Company to the Board of Directors (each member a "Director" and collectively, the "Board of Directors").

2. Significant Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and are expressed in United States dollars. The Company is considered an investment company under GAAP and follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, Financial Services – Investment Companies ("ASC 946"). The following is a summary of significant accounting and reporting policies used in preparing the financial statements.

a. Portfolio Valuation

The Company has formal valuation procedures approved by the Board of Directors. The Adviser performs its duties under the procedures principally through an internal valuation body, which meets at least monthly. The Valuation Committee, which is under the purview of the Board of

Directors, receives valuation reports from the Adviser on a quarterly basis and determines if valuation procedures are operating as expected and the outcomes are reliable.

Investments in Investment Funds are subject to the terms of the respective limited partnership agreements, limited liability company agreements, offering memoranda and such negotiated "side letter" or similar arrangements as the Adviser may have entered into with the Investment Fund on behalf of the Company. The Company's investments in the Investment Funds are carried at fair value as determined by the Company's interest in the net assets of each Investment Fund using net asset value, or its equivalent, ("NAV") as a practical expedient or as otherwise determined in accordance with the Company's valuation procedures.

Prior to investing in any Investment Fund, the Adviser will conduct a due diligence review of the valuation methodology utilized by the Investment Fund and will perform ongoing monitoring due diligence. The results of ongoing, post-investment diligence reviews are used to assess the reasonableness of continued reliance on the valuations reported by the Investment Funds. NAV supplied by Investment Funds are net of management and performance incentive fees or other allocations payable to the Investment Funds' managers as required by the Investment Funds' agreements. Each Investment Manager to which the Adviser allocates assets will charge the Company, as an investor in an underlying Investment Fund, an asset-based fee, and some or all of the Investment Managers will receive performance-based compensation in the form of an incentive fee. The asset-based fees of the Investment Managers are generally expected to range from 1% to 4% annually of the net assets under their management and the incentive fee is generally expected to range from 10% to 25% of net profits annually. These management and incentive fees are accounted for in the valuations of the Investment Funds and are neither included in the management fee reflected in the Statement of Operations nor in expenses and net investment loss ratios reflected in Financial Highlights.

The Company may invest in Investment Funds that may designate certain investments within those Investment Funds, typically those that are especially illiquid and/or hard to value, as "special situation" (often called "Side-Pocket") investments with additional redemption limitations. Such a Side-Pocket is, in effect, similar to a private equity fund that requires its investors to remain invested for the duration of the fund and distributes returns on the investment only when liquid assets are generated within the fund, typically through the sale of the fund's illiquid assets in exchange for cash.

As a general matter, the fair value of the Company's investment in an Investment Fund represents the amount that the Company can reasonably expect to receive if the Company's investment was sold at its reported NAV. Determination of fair value involves subjective judgment and amounts ultimately realized may vary from estimated values. The Investment Funds generally provide for periodic redemptions ranging from monthly to quarterly, subject to various lock-up on liquidity provisions and redemption gates. Investment Funds generally require advance notice of a Shareholder's intent to redeem its interest, and may, depending on the Investment Funds' governing agreements, deny or delay a redemption request. The Company considers whether a liquidity discount on any Investment Fund should be taken due to redemption restrictions or suspensions by the Investment Fund. No liquidity discount was applied when determining the fair value of the Investment Funds as of March 31, 2016. The underlying investments of each Investment Fund are accounted for at fair value as described in each Investment Fund's financial statements. The Investment Funds may invest a portion of their assets in restricted securities and other investments that are illiquid.

b. Net Asset Value Determination

The net asset value of the Company is determined as of the close of business at the end of each month in accordance with the valuation principles set forth below or as may be determined from time to time pursuant to policies established by the Board of Directors.

Retroactive adjustments to the Company's net asset value might be made after the valuation date, based on information which becomes available after that valuation date, which could impact the net asset value per share at which Shareholders purchase or sell Company Shares. For example, fiscal year-end net asset values of an Investment Fund may be revised as a result of a year-end audit performed by the independent auditors of that Investment Fund. Other adjustments to the Company's net asset value may also occur from time to time, such as from the misapplication by the Company or its agents of the valuation policies described in the Company's valuation procedures.

Retroactive adjustments to the Company's net asset value, which are caused by adjustments to the Investment Funds values or by a misapplication of the Company's valuation policies, that are able to be made within 90 days of the valuation date(s) to which the adjustment would apply will be made automatically unless determined to be immaterial. Other potential retroactive adjustments, regardless of whether their impact increases or decreases the Company's net asset value, will be made only if they both (i) are caused by a misapplication of the Company's valuation policies and (ii) deemed to be material. All retroactive adjustments are reported to the Company's Valuation Committee and to affected Shareholders.

The Company follows a policy which permits revisions to the number of Shares purchased or sold by Shareholders due to retroactive adjustments made under the circumstances described above which occur within 90 days of the valuation date. In circumstances where a retroactive adjustment is not made under the circumstances described above, Shares purchased or sold by Shareholders will not be adjusted. As a result, to the extent that the subsequent impact of the event which was not adjusted adversely affects the Company's net asset value, the outstanding Shares of the Company will be adversely affected by prior repurchases made at a net asset value per Share higher than the adjusted value. Conversely, any increases in net asset value per Share resulting from such subsequent impact will be to the benefit of the holders of the outstanding Shares of the Company and to the detriment of Shareholders who previously had their Shares repurchased at a net asset value per Share lower than the post-impact value. New Shareholders may be affected in a similar way, because the same principles apply to the purchase of Shares.

c. Income Recognition and Expenses

Interest income is recognized on an accrual basis as earned. Expenses are recognized on an accrual basis as incurred. Income, expenses and realized and unrealized gains and losses are recorded monthly.

The change in an Investment Fund's net asset value is included in net change in unrealized appreciation/depreciation on investments in Investment Funds on the Statement of Operations. The Company accounts for realized gains and losses from Investment Fund transactions based on the pro-rata ratio of the fair value and cost of the underlying investment at the date of redemption. For tax purposes, the Company uses the cost recovery method with respect to sales of Investment Funds that are classified as partnerships for U.S. federal tax purposes, and the first-in-first-out method with respect to sales of Investment Funds that are classified as corporations for U.S. federal tax purposes.

The Company bears all expenses incurred in the course of its operations, including, but not limited to, the following: all costs and expenses related to portfolio transactions and positions for the Company's account; professional fees; costs of insurance; registration expenses; and expenses of meetings of the Board of Directors.

d. Income Taxes

The Company became a corporation that is taxed as a regulated investment company ("RIC") as of October 1, 2005. The Company operated as a partnership from inception through September 30, 2005.

It is the Company's intention to meet the requirements of the Internal Revenue Code applicable to RICs and distribute substantially all of its taxable net investment income and capital gains, if any, to Shareholders each year. While the Company intends to distribute substantially all of its taxable net investment income and capital gains, in the manner necessary to avoid imposition of the 4% excise tax, it is possible that some excise tax will be incurred.

The Company has analyzed tax positions taken or expected to be taken in the course of preparing the Company's tax return for all open tax years and has concluded, as of March 31, 2016, no provision for income tax is required in the Company's financial statements. The Company's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue. The Company recognizes tax related interest and penalties, if any, as income tax expense in the Statement of Operations. During the year ended March 31, 2016, the Company did not incur any interest or penalties.

e. Cash

Cash represents cash on deposit. Cash held at financial institutions may exceed the amount insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on such bank deposits.

f. Use of Estimates and Reclassifications

The preparation of financial statements in conformity with GAAP requires management of the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Changes in the economic environment, financial markets, and any other parameters used in determining these estimates could cause actual results to differ materially.

3. Fair Value Disclosures

The Company uses the NAV, as a practical expedient, provided by Investment Funds as its measure of fair value of an investment in an Investment Fund when (i) the Company's investment does not have a readily determinable fair value and (ii) the NAV of the Investment Fund is calculated in a manner consistent with the measurement principles of investment company accounting, including measurement of the underlying investments at fair value. In evaluating the level at which the fair value measurement of the Company's investments have been classified, the Company has assessed factors including, but not limited to, price transparency, the ability to redeem at NAV at the measurement date and the existence or absence of certain redemption restrictions at the measurement date.

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Company discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurement). The guidance establishes three levels of fair value as listed below.

Level 1- Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2- Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3- Inputs that are unobservable.

The notion of unobservable inputs is intended to allow for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Under Level 3, the owner of an asset must determine valuation based on their own assumptions about what market participants would take into account in determining the fair value of the asset, using the best information available.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Adviser. The Adviser considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following is a summary of the investment strategies, their liquidity and redemption notice periods and any restrictions on the liquidity provisions of the investments in Investment Funds held by the Company as of March 31, 2016. Investment Funds with no current redemption restrictions may be subject to future gates, lock-up provisions or other restrictions, in accordance with their offering documents which would be considered in fair value measurement and disclosure.

Directional Equity funds take long and short stock positions. The manager may attempt to profit from both long and short stock positions independently, or profit from the relative outperformance of long positions against short positions. The stock picking and portfolio construction process is usually based on bottom-up fundamental stock analysis, but may also include top-down macro-based views, market trends and sentiment factors. Directional equity managers may specialize by region (e.g., global, U.S., Europe or Japan) or by sector. No assurance can be given that the managers will be able to correctly locate profitable trading opportunities, and such opportunities may be adversely affected by unforeseen events. In addition, short selling creates the risk of loss if the security that has been sold short appreciates in value. Generally, the Investment Funds within this strategy have quarterly liquidity, and are subject to a 45 day notice period. Investment Funds in this strategy, representing less than 1 percent in this strategy, are illiquid side pocket investments with suspended redemptions. The remaining approximately 99 percent of the Investment Funds in this strategy can be redeemed with no restrictions as of the measurement date.

Directional Macro strategies require well developed risk management procedures due to the frequent employment of leverage. Investment managers may trade futures, options on future contracts and foreign exchange contracts and may trade in diversified markets or focus on one market sector. Two types of strategies employed by directional macro managers are discretionary and systematic trading. Discretionary trading strategies seek to dynamically allocate capital to relatively short-term trading opportunities around the world. Directional strategies (seeking to participate in rising and declining markets when the trend appears strong and justified by fundamentals) and relative value approaches (establishing long positions in undervalued instruments and short positions in related instruments believed to be over valued) or in “spread” positions in an attempt to capture changes in the relationships between instruments. Systematic trading strategies generally rely on computerized trading systems or models to identify and capitalize on trends in financial and commodity markets. This systematic approach allows investment managers to seek to take advantage of price patterns in very large number of markets. Generally, the Investment Funds within this strategy have monthly to quarterly liquidity, and are subject to a 30 to 45 day notice period. The trading models may be focused on technical or fundamental factors or combination of factors. Investment Funds in this strategy, representing 5 percent in this strategy, are illiquid side pocket investments with suspended redemptions. The remaining approximately 95 percent of the Investment Funds in this strategy can be redeemed with no restrictions as of the measurement date.

Event Driven strategies involve investing in opportunities created by significant transactional events such as spin-offs, mergers and acquisitions, bankruptcies, recapitalizations and share buybacks. Event driven strategies include “merger arbitrage” and “distressed securities”. Generally, the Investment Funds within this strategy have monthly to annually liquidity, subject to a 30 to 90 day notice period. Approximately 4 percent of the Investment Funds in this strategy are illiquid or side pocket investments with suspended redemptions. Investment Funds representing less than 1 percent in this strategy have hard lock provisions to be lifted after 12 months. Approximately 5 percent in this strategy are term vehicles with multi-year hard locks subject to periodic distributions. Approximately 49 percent of the Investment Funds in this strategy have gated redemptions, which are estimated to be lifted after 12 months. The remaining approximately 42 percent of the Investment Funds in this strategy can be redeemed with no restrictions as of the measurement date.

Relative Value strategies seek to take advantage of specific pricing anomalies, while also seeking to maintain minimal exposure to systematic market risk. This may be achieved by purchasing one security previously believed to be undervalued, while selling short another security perceived to be overvalued. Relative value arbitrage strategies include equity market neutral, statistical arbitrage, convertible arbitrage, and fixed income arbitrage. Some investment managers classified as multi-strategy relative value arbitrage use a combination of these substrategies. Generally, the Investment Funds within this strategy have monthly to quarterly liquidity, subject to a 45 to 90 day notice period. Investment Funds in this strategy, representing less than 1 percent in this strategy, are illiquid side pocket investments with suspended redemptions. Approximately 25 percent of the Investment Funds in this strategy have gated redemptions, which are estimated to be lifted after 12 months. The remaining approximately 75 percent of the Investment Funds in this strategy can be redeemed with no restrictions as of the measurement date.

The Company follows the authoritative guidance under GAAP on determining fair value when the volume and level of activity for the asset or liability have significantly changed and identifying transactions that are not orderly. Accordingly, if the Company determines that either the volume and/or level of activity for an asset or liability has significantly changed (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value. Valuation techniques such as an income approach might be appropriate to supplement or replace a market approach in those circumstances.

The guidance also provides a list of factors to determine whether there has been a significant change in relation to normal market activity. Regardless of the valuation technique and inputs used, the objective for the fair value measurement in those circumstances is unchanged from what it would be if markets were operating at normal activity levels and/or transactions were orderly; that is, to determine the current exit price.

In May 2015, the FASB issued Accounting Standards Update (“ASU”) No. 2015-07 (“ASU 2015-07”), Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent). The ASU 2015-07 amendments remove the previous requirement to categorize all investments for which fair value is measured using the NAV per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. The amendments apply to reporting entities that elect to measure the fair value of an investment through the NAV per share (or its equivalent) practical expedient (common practice for investment companies). ASU 2015-07 is effective for annual reporting periods beginning after December 15, 2015, and early adoption is permitted. As permitted, the Company has elected to adopt ASU 2015-07 for its March 31, 2016 financial statements. The Company's investments in Investment Funds carried at fair value in the amount of $5,987,063,257 have not been categorized in the fair value hierarchy.

The Company has unfunded capital commitments with Marathon European Credit Opportunity Fund II, LP of approximately $22,300,000 as of March 31, 2016.

4. Management Fee, Administrative Fee, Related Party Transactions and Other

The Adviser provides investment management services to the Company. The Adviser acts primarily to evaluate and select Investment Managers, to allocate assets, to establish and apply risk management procedures, and to monitor overall investment performance. In consideration for such services, the Company pays the Adviser a monthly management fee of 0.125% (1.50% annually) based on end of month Shareholders' capital.

Hastings Capital Group, LLC, an affiliate of the Adviser, has been appointed to serve as the Company's principal underwriter (the "Principal Underwriter") with authority to sell Shares directly and to appoint placement agents to assist the Principal Underwriter in selling Shares. Underwriting fees in the amount of $8,000 are accrued on a monthly basis. Total amounts expensed related to underwriting fees by the Company for the year ended March 31, 2016 were $96,000 and are included in miscellaneous expenses on the Statement of Operations of which $8,000 remains payable and is included in accounts payable and other accrued expenses on the Statement of Assets and Liabilities. Placement agents may be retained by the Company to assist in the placement of the Company's Shares.

The Company has entered into agreements with third parties to act as additional placement agents for the Company's Shares. Placement fees ranging from 0% to 3% of a Shareholder's subscription amount may be paid to the placement agents by the Shareholder. Placement fees do not constitute a capital contribution by the Shareholder to the Company and will not be part of the assets of the Company. In addition to the placement fee paid by Shareholders, the Adviser or its affiliates, including the Principal Underwriter, may pay from their own resources additional compensation to the Placement Agents in connection with placement of Shares or servicing of investors. As to each investor referred by a Placement Agent to date, such additional compensation approximates 0.75% to 0.85% of the value of the Shares held by the investor per annum.

The Adviser and BNY Mellon Investment Servicing (US) Inc. ("BNYM") have separate agreements with the Company and act as co-administrators to the Company. BNYM provides certain accounting, recordkeeping, tax and investor related services and charges fees for their services based on a rate applied to the average Shareholders' capital and are charged directly to the Company. Total amount expensed relating to administration services provided by BNYM for the year ended March 31, 2016 was $6,551,518 and are included in administration fees on the Statement of Operations.

The Adviser provides a variety of administrative and shareholder services under an administrative services agreement with the Company. While these services previously were subject to a fee, they have in recent years been provided by the Adviser on a no-fee basis. Effective January 1, 2014, the Adviser and the Company's Board of Directors agreed to amend the agreement and reinstate a fee.

The Adviser is paid an annual fee, payable monthly and calculated as a percentage of the Company's net assets as follows: 0.05% of the Company's first $5 billion of average net assets, and 0.04% of the Company's average net assets in excess of $5 billion. Total amount expensed relating to administrative services provided by the Adviser for the year ended March 31, 2016 was $3,435,139 and are included in administration fees on the Statement of Operations of which $274,002 remains payable and is included in accounts payable and other accrued expenses on the Statement of Assets and Liabilities.

Certain Directors of the Company are also directors and/or officers of other investment companies that are advised by the Adviser, including SkyBridge G II Fund, LLC.

Each Director who is not an "interested person" of the Company, as defined by the 1940 Act, receives, for his service as Director of the Company and SkyBridge G II Fund, LLC, an annual retainer effective April 1, 2015, of $80,000, a fee per telephonic meeting of the Board of Directors of $500 and a fee per in person meeting of the Board of Directors of $1,000 plus reasonable out of pocket expenses. The Chair of the Audit Committee will receive a $5,000 per year supplemental retainer. Directors will be reimbursed by the Company for their travel expenses related to Board meetings. A portion of such fees and costs will be allocated to each fund according to its relative net assets and a portion will be split equally between each fund.

Total amounts expensed related to Directors by the Company for the year ended March 31, 2016 were $224,400.

The Bank of New York Mellon serves as custodian of the Company's assets and provides custodial services for the Company. Fees payable to the custodian and reimbursement for certain expenses are paid by the Company. Total amounts expensed related to custodian fees by the Company for the year ended March 31, 2016 were $1,132,752.

5. Securities Transactions

The following table lists the aggregate purchases and proceeds from sales of Investment Funds for the year ended March 31, 2016, gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation as of March 31, 2016.

Cost of purchases*	$ 2,993,403,621
Proceeds from sales*	$ 3,329,433,489
Gross unrealized appreciation	$ 536,514,390
Gross unrealized depreciation	(287,217,312)
Net unrealized appreciation	$ 249,297,078

* Cost of purchases and proceeds from sales include non-cash transfers of $24,685,411 for the year ended March 31, 2016.

6. Loan Payable

a. Line of Credit

On June 24, 2015, the Company renewed an uncommitted line of credit (the "Line of Credit") with an unaffiliated bank expiring on June 21, 2016. Subject to the terms of the Line of Credit Agreement, the Company may borrow up to $200,000,000 (the "Maximum Amount"). The Company pays interest on the unpaid principal balance at a rate per annum for each day equal to the sum of (a) two percent (2%) per annum, plus (b) the overnight USD LIBOR rate in respect of such day, but in any case not in excess of the maximum rate permitted by law. In addition, the Company will pay to the lender an administration fee in an amount calculated at the rate of 0.12% per annum of the Maximum Amount.

For the year ended March 31, 2016, the Company's average interest rate paid on the Line of Credit was 2.30% per annum and the average loan outstanding was $120,798,113 during the periods whereby the Company had a loan outstanding. The Company had no loan outstanding under the Line of Credit at March 31, 2016. Interest expense for the year ended March 31, 2016 was $404,188 of which none was payable at March 31, 2016.

b. Variable Funding Notes

The Company issued a Secured Variable Funding Note (the "Note") in December 2013. Under a Note Purchase Agreement, an unaffiliated bank agreed to purchase the Note with a maturity of 3 years. The Note has a maximum notional amount of $305,000,000 and pays interest of USD 3 month LIBOR plus 1.50% per annum. A fee of 0.625% per annum accrues daily on the undrawn portion of the Note.

For the year ended March 31, 2016, the Company's average interest rate paid on the Note was 1.83% per annum and the average amount outstanding was $145,483,544 during the periods whereby the Company had an amount outstanding. The Company had no amount outstanding at March 31, 2016. Interest expense for the year ended March 31, 2016 was $575,723 of which none was payable at March 31, 2016.

The Company issued a Secured Variable Funding Note (the "Note") in December 2015. Under a Note Purchase Agreement, an unaffiliated bank agreed to purchase the Note with a maturity of 1 year. The Note has a maximum notional amount of $250,000,000 and pays interest of USD 3 month LIBOR plus 1.42% per annum. A fee of 0.60% per annum accrues daily on the undrawn portion of the Note.

For the year ended March 31, 2016, the Company's average interest rate paid on the Note was 1.89% per annum and the average loan outstanding was $220,652,174 during the periods whereby the Company had a loan outstanding. The Company had an amount of $250,000,000 outstanding at March 31, 2016. Interest expense for the year ended March 31, 2016 was $262,381, all of which was payable at March 31, 2016.

7. Contributions, Redemptions, and Allocation of Income

The Company is authorized to issue an unlimited number of Shares, all at $0.00001 par value per Share. Such par value is included in paid-in capital in the Statement of Assets and Liabilities. Generally, initial and additional subscriptions for Shares may be accepted as of the first day of each month. The Adviser has been authorized by the Board of Directors of the Company to accept or reject any initial and additional subscriptions for Shares in the Company. The Board of Directors from time to time and in its complete and exclusive discretion, may determine to cause the Company to repurchase Shares from Shareholders pursuant to written tenders by Shareholders on such terms and conditions as it may determine. The Adviser expects that it typically will recommend to the Board of Directors that the Company offer to repurchase 5% to 25% of total outstanding Shares from Shareholders quarterly, on each March 31, June 30, September 30 and December 31 (or, if any such date is not a business day, on the immediately preceding business day).

Transactions in Shares were as follows for the year ended March 31, 2016 and the year ended March 31, 2015:

	March 31, 2016	March 31, 2015
Shares outstanding, beginning of year	5,723,530.419	4,292,370.375
Shares purchased	806,626.775	1,314,410.044
Shares issued for reinvestment of distributions	122,665.125	337,090.164
Shares redeemed	(491,168.528)	(220,340.164)
Shares outstanding, end of year	6,161,653.791	5,723,530.419

8. Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Investment Funds in which the Company invests trade various financial instruments and enter into various investment activities with off-balance sheet risk. These include, but are not limited to, short selling activities, writing option contracts and entering into equity swaps. The Company's risk of loss in these Investment Funds is limited to the value of its investment in the respective Investment Funds.

9. Income Taxes

Net investment loss and net realized gain (loss) differ for financial statements and tax purposes. The primary reason for differences between the earnings reported, the federal tax cost of investments and the related amounts reported on the Company's Statement of Assets and Liabilities as of March 31, 2016, relates to differences arising from the application of federal tax rules pertaining to the treatment of the Company's investments in partnerships and Passive Foreign Investment Companies ("PFICs").

These book-tax differences arise from the result of the Company using differing methods of measuring realized gain and loss for book and tax purposes as described previously in these notes. Additionally, partnerships provide a Schedule K-1 which report tax information as to their income, expenses, gains and losses. Such reported items are recorded as taxable income or loss by the

Company and increase or decrease its tax basis in the partnership. Certain PFICs for which the Company has elected to be treated as Qualified Electing Funds provide information as to the amounts of taxable income and gain to be recorded by the Company. For other PFICs, the Company has made a mark-to-market election which converts any unrealized gain to ordinary taxable income. In both these cases, the Company's tax basis in the PFICs is increased.

These book-tax differences give rise to both temporary and permanent differences. Temporary book-tax differences result when the Company holds an investment in an Investment Fund. These temporary book-tax differences generally become permanent book-tax differences upon disposal of the investment in the Investment Fund.

Permanent book-to-tax differences result in the reclassification of amounts between "Accumulated net investment loss," "Accumulated net realized loss on sales of investments in Investments Funds," and "Paid-in capital" reported on the Company's Statement of Assets and Liabilities as of March 31, 2016. As indicated above, such permanent differences are primarily the result of the tax differences for federal tax purposes of investments in partnerships and PFICs. The Company's total Shareholders' capital was unaffected by these reclassifications, which had the following impact as of March 31, 2016:

Accumulated net investment loss	Accumulated net realized loss on sales of investments in Investments Funds	Paid-in capital
$229,181,459	$(180,726,562)	$(48,454,897)

The tax basis of distributable earnings as of March 31, 2016 shown in the table below represent future distribution requirements the Company must satisfy under the federal tax rules, losses the Company may be able to offset against income and gains realized in future years and unrealized appreciation or depreciation on investments for federal income tax purposes.

Undistributed ordinary income	Undistributed net capital gains/(capital loss carryforward)	Qualified late year loss deferrals	Accumulated net unrealized depreciation on investments
$0	$0	$(249,495,422)	$(424,968,703)

For the year ended March 31, 2016, the Company will elect to defer qualified late year ordinary losses and post October capital losses of $46,047,076 and $203,448,346, respectively. Under the federal tax rules, certain ordinary losses occurring after December 31 and capital losses occurring after October 31 may be deferred and treated as occurring on the first day of the following year (April 1, 2016).

As of March 31, 2016, the composition of the unrealized appreciation and depreciation on investments for federal income tax purposes are:

Gross unrealized appreciation	$	360,938,849
Gross unrealized depreciation		(785,907,552)
Net unrealized depreciation	$	(424,968,703)

The difference in the federal tax cost arises from the following:

Federal tax cost of investments	$	6,412,031,960
Investments in partnerships		(211,455,930)
Investments in PFICs		(468,757,986)
Investments in debt		5,948,135
Financial statement cost of investments	$	5,737,766,179

The character of dividends and distributions made during the fiscal year from net investment income or net realized gains differ from their ultimate characterization for federal income tax purposes. Also due to timing of dividends and distributions, the fiscal year in which amounts are distributed differ from the fiscal year in which the income or net realized gain was recorded by the Company. The tax character of distributions paid by the Company for the year ended March 31, 2016 was $53,911,901 of ordinary income and $98,673,036 of net capital gains. The tax character of distributions paid by the Company for the year ended March 31, 2015 was $196,837,397 of ordinary income and $245,567,771 of net capital gains.

As reported in the Statements of Changes in Shareholders' Capital, the following table reconciles the beginning and end of year balances of accumulated net investment loss and accumulated net realized loss on sales of investments in Investments Funds.

	Accumulated net investment loss	Accumulated net realized loss on sales of investments in Investments Funds
Beginning of year	$ (236,985,135)	$ (544,107,744)
Net investment loss	(129,193,932)	-
Net realized gain on sales of investments	-	90,655,648
Distributions to Shareholders	(53,911,901)	(98,673,036)
Reclassification of permanent differences between book and tax	229,181,459	(180,726,562)
End of year	$ (190,909,509)	$ (732,851,694)

10. Subsequent Events

Management has evaluated the impact of all subsequent events on the Company through the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

FEDERAL TAX INFORMATION
(Information Unaudited)

We are required by the Internal Revenue Code of 1986, as amended ("the Code"), to advise you about the federal tax status of dividends paid by the Company during the Company's fiscal year ended March 31, 2016: 1) $98,673,036 of net capital gains dividends were paid in accordance with Section 852(b)(3)(C) of the Code, 2) 100% of ordinary income dividends paid during the year constitutes qualified dividend income in accordance with Section 854(b)(1)(B) of the Code, and 3) 100% of ordinary income dividends paid during the year are eligible for the corporate dividends received deduction provided under Section 243 of the Code in accordance with Section 854(b)(1)(A) of the Code.

In February 2017, shareholders will receive federal income tax information on all distributions declared in the calendar year 2016, including any distributions paid to their accounts between April 1, 2016 and January 31, 2017.

FUND MANAGEMENT
(Information Unaudited)

The Company's officers are appointed by the Directors and oversee the management of the day-to-day operations of the Company under the supervision of the Board of Directors. One of the Directors and all of the officers of the Company are directors, officers or employees of the Adviser or its subsidiaries. The other Directors are not affiliated with the Adviser or its subsidiaries and are not "interested persons" as defined under Section 2(a)(19) of the 1940 Act (the "Independent Directors"). A list of the Directors and officers of the Company and a brief statement of their present positions, principal occupations and directorships during the past five years are set out below. To the fullest extent allowed by applicable law, including the 1940 Act, the LLC Agreement indemnifies the Directors and officers for all costs, liabilities and expenses that they may experience as a result of their service as such.

Certain of the Directors and officers of the Company are also directors and/or officers of other investment companies that are advised by the Adviser, including SkyBridge G II Fund, LLC. (The Company and such other investment companies, if also registered under the 1940 Act, are referred to collectively in this section of the Prospectus as the "Fund Complex".) The address for each Director and officer in his or her capacity as such is 527 Madison Avenue, 16th Floor, New York, New York 10022.

INDEPENDENT DIRECTORS
(Information Unaudited)

NAME AND AGE	POSITION(S) HELD WITH THE COMPANY	TERM OF OFFICE* AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIPS HELD BY DIRECTOR
Charles Hurty (born 1943)	Director	November 2002 to present	Business Consultant since October 2001; prior thereto, Partner with accounting firm of KPMG LLP.	Two**	SkyBridge G II Fund, LLC; GMAM Absolute Return Strategy Fund 1; iShares Trust and iShares, Inc. (320 portfolios)
Steven Krull (born 1957)	Director	November 2002 to present	Professor of Finance at Hofstra University; Business Consultant.	Two**	SkyBridge G II Fund, LLC
Joshua Weinreich (born 1960)	Director	December 2006 to present (served as an advisory Director from January 2006 to November 2006)	Retired since 2004. Between 1985 and 2004 held various executive positions at Bankers Trust/Deutsche Bank.	Two**	SkyBridge G II Fund, LLC; Community FoodBank of New Jersey; Overlook Hospital Foundation; Primary Venture Partners; AllianceBernstein Holding LP

* Term of office of each Director is indefinite

** Includes the Company and SkyBridge G II Fund, LLC.

INTERESTED DIRECTOR
(Information Unaudited)

NAME AND AGE	POSITION(S) HELD WITH THE COMPANY	TERM OF OFFICE* AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIPS HELD BY DIRECTOR
Raymond Nolte (born 1961)	President and Director (Chair)	September 2005 to present	Chief Investment Officer, SkyBridge (2010-present); CEO, Citigroup Alternative Investments Fund of Hedge Funds Group (2005-2010); President, Director and Portfolio Manager of SkyBridge Multi-Adviser Hedge Fund Portfolios LLC since 2005.	Two**	SkyBridge G II Fund, LLC

* Term of office of each Director is indefinite.

** Includes the Company and SkyBridge G II Fund, LLC.

OFFICERS
(Information Unaudited)

NAME AND AGE	POSITION(S) HELD WITH THE COMPANY	TERM OF OFFICE* AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
Raymond Nolte (born 1961)	President and Director	September 2005 to present	See table for "Interested Directors" above.
Christopher Hutt (born 1970)	Vice President	June 2009 to present	Vice President, SkyBridge Multi-Adviser Hedge Fund Portfolios LLC (2009-present); Vice President, SkyBridge GII Fund, LLC (July 2011-present); Managing Director, SkyBridge Capital (January 2011-present); Director, SkyBridge Capital (2010)
A. Marie Noble (born 1972)	Chief Compliance Officer	December 2010 to present	Chief Compliance Officer, SkyBridge Multi-Adviser Hedge Fund Portfolios LLC (2010 to present); Chief Compliance Officer, SkyBridge GII Fund, LLC (July 2011-present); General Counsel and Chief Compliance Officer, SkyBridge Capital (2010-present)
Robert J. Phillips (born 1962)	Treasurer and Principal Financial Officer	July 2010 to present	Treasurer and Principal Financial Officer, SkyBridge Multi-Adviser Hedge Fund Portfolios LLC (2010-present); Treasurer and Principal Financial Officer SkyBridge GII Fund, LLC (July 2011-present); Partner and Chief Financial Officer, SkyBridge Capital (2007-present)
Brahm Pillai (born 1979)	Secretary	June 2009 to present	Secretary, SkyBridge Multi-Adviser Hedge Fund Portfolios LLC (2009-present); Secretary, SkyBridge GII Fund, LLC (July 2011-present); Vice President, SkyBridge Capital (2010-present)

* Term of office of each officer is indefinite.

ADDITIONAL INFORMATION
(Information Unaudited)

PROXY VOTING

A description of the Company's Proxy Voting Policies and Procedures and the Company's portfolio securities voting record for the period July 1, 2014 through June 30, 2015 is available on the Securities and Exchange Commission's ("SEC") web site at www.sec.gov. These are found on the site under "Filings - Search for Company Filings" and then "Company or fund name".

FILING OF QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS ("FORM N-Q")

The Company files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Company's Form N-Q is available on the SEC's web site at www.sec.gov (by conducting a "Search for Company Filings") and may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on how to access documents on the SEC website without charge may be obtained by calling (800) SEC-0330.