

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of **DG Capital Management Trust** ["DG" or "Adviser"]. If you have any questions regarding the contents of this Brochure, please contact us at (617) 896-1514 and/or via electronic mail at kvoss@dgcap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. DG is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information with which you may determine to hire or retain advisory services. Additional information about DG is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document (“brochure”) provided to clients as required by SEC rules. This Brochure dated March 30, 2011 is a document prepared according to the SEC’s new requirements and rules. Therefore, this document is materially different from, and requires certain new information, that the previous Form ADV did not require.

In the future, this item will discuss only specific material changes that are made to the brochure and will provide a summary of such changes. Pursuant to new SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We may also provide other ongoing disclosure information about material changes as necessary and provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Our brochure may be requested by contacting Kimberly Voss, Chief Administrative Officer and Chief Compliance Officer, at (617) 896-1514 and/or via electronic mail at kvoss@dgcap.com. Additional information about DG is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser, if applicable.

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Item 4 – Advisory Business

DG is a Massachusetts business trust which has been in business since July 1996. The Adviser currently provides investment advice to the Woodrow U.S. Partnership and the DG Capital Opportunistic Fund (collectively the “Private Funds”), foundations, endowments, pension and profit sharing plans, registered investment companies (“Mutual Funds”) and other institutional investors. The Adviser may also provide services to banks, high net worth individuals, and additional registered investment companies, offshore and U.S. private investment funds and other investment pools.

Manu P. Daftary, Chairman, Chief Investment Officer and Trustee, primarily owns the firm indirectly through Mankay, LLC. As of December 31, 2010, DG managed discretionary client assets valued at \$1,514,005,010. DG does not manage assets on a non-discretionary basis.

DG provides investment supervisory services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. These services may include: (i) development of investment policy; (ii) asset allocation; (iii) portfolio implementation and management and (iv) performance evaluation. Advisory services are tailored to the individual needs of the client taking into consideration the client’s risk tolerance, time horizon, tax status, liquidity needs, return objectives and preferences for investment vehicles. Clients may impose restrictions on DG with respect to investing in certain securities or types of securities.

DG does not tailor its advisory services or investment objectives or strategies to the requests or needs of individual Private Fund investors or shareholders in the Mutual Fund portfolios it manages. Investors in these Private Funds and shareholders in the Mutual Funds are not permitted to restrict a fund’s investments. For more detailed information regarding each Private Fund’s restrictions refer to the Private Fund’s offering memorandum. For more detailed information regarding each Mutual Fund’s restrictions refer to each Mutual Fund’s prospectus and statement of additional information.

Item 5 – Fees and Compensation

Standard Fee Schedule:

The Adviser generally charges an annual fee consisting of a percentage of assets under management. The basic fee schedule is negotiable at the Adviser’s discretion. Performance fee arrangements are negotiable. The Adviser may charge clients an incentive fee in accordance with (i) the terms and conditions of Rule 205-3 of the Investment Advisers Act of 1940 (the “Advisers Act”) and (ii) other applicable state and federal laws or regulations. Fees are payable on a quarterly basis, either in arrears or in advance. Fees payable in arrears are based on either the market value of assets under management on the last business day of the quarter or the average market value of assets under management on the last business day of each month within the quarter. Fees payable in advance are based on the market value of assets under management on the last business day of the previous quarter. Fees are prorated upon termination of the advisory relationship and with respect to any capital contributions or withdrawals made during the quarter.

Long/Short Separate Account
1.00% on assets, 20% incentive fee

Opportunistic Growth Separate Account
0.85% on the first \$25 million
0.70% on assets in excess of \$25 million

Minimum Investment: \$15 million

Clients and the Adviser generally may terminate their relationship upon giving advance written notice to the other party. Notice periods may vary among clients.

Registered Investment Companies

The Quaker Investment Trust (the “Quaker Trust”), an open-end investment company registered under the Investment Company Act of 1940 (the “Company Act”) has engaged the Adviser to serve as the sub-adviser to the Quaker Strategic Growth Fund and the Quaker Global Tactical Allocation Fund (the “Quaker Funds”), portfolios of the Quaker Trust. For its services, the Adviser receives advisory fees, computed at the end of each month, equal to the annual rate of .75% of the average daily net assets for each of the Quaker Funds. This description is a summary of the fees received by DG for management of the Mutual Funds. For more detailed information and a complete description regarding each Mutual Fund’s fees and expenses refer to each Mutual Fund’s prospectus and statement of additional information.

The Adviser is, and may be, engaged by other open-end investment companies, including other Mutual Funds, to serve as the sub-adviser. Advisory fees with respect to any such funds will be separately negotiated.

Private Funds

Below is a summary of the fees received by DG for management of the Private Funds. For more detailed information and a complete description regarding each Private Fund’s fees and expenses refer to the Private Fund’s offering memorandum.

The Adviser serves as the investment manager for Woodrow Partners Fund, L.P., a Delaware limited partnership (the “Woodrow U.S. Partnership”). In this role, the Adviser performs certain administrative and management services and receives a fixed management fee, payable quarterly in arrears, equal to 1.0% per year of the aggregate capital account balances of the partners of the Woodrow U.S. Partnership. The Adviser may, in its sole discretion, waive or reduce this fee with respect to limited partners of the Woodrow U.S. Partnership. In addition, Woodrow General Partner, LLC, a Delaware limited liability company owned by the principal of the Adviser, serves as the general partner of the Woodrow U.S. Partnership. In this role, Woodrow General Partner, LLC receives a performance allocation equal annually to 20% of the net profits (realized and unrealized) of the Woodrow U.S. Partnership. Woodrow General Partner, LLC may, in its sole discretion, waive or reduce this fee with respect to limited partners of the Woodrow U.S. Partnership. Principals or employees of the Adviser may have personal investments in the Woodrow U.S. Partnership.

The Adviser also serves as the investment manager for the DG Capital Opportunistic Growth Fund, LLC, a Delaware limited liability company (the “Opportunistic Fund”). In this role, the Adviser performs certain advisory and administrative services and receives a fixed management fee, payable quarterly in arrears, based on a percentage of each member’s average month-end capital account balance, without giving effect to any withdrawals on that day. The management fee structure is as follows:

1.25% for capital accounts up to \$2,000,000,
1.00% for capital accounts over \$2,000,000,
0.90% for capital accounts over \$5,000,000,
0.80% for capital accounts over \$10,000,000,
0.75% for capital accounts over \$25,000,000, and
0.70% for capital accounts over \$50,000,000.

The management fee will be pro rated with respect to any capital contributions accepted or withdrawals permitted as of any date other than the last date of the month. The Adviser may, in his sole discretion, set different management fee rates for different members. The Adviser expects that it will waive the management fee in its entirety for the accounts of certain affiliates of the Adviser.

The Adviser may also serve as the investment manager for other unregistered private investment funds or other investment pools that are unrelated to the Adviser, its principals, or any affiliates. Management and performance fees with respect to any such funds will be separately negotiated. Principals of the Adviser may have personal investments in such Private Funds as a condition to managing the fund.

Expenses

The Private Funds bear all of their own ordinary and extraordinary expenses, including investment expenses (*i.e.*, brokerage commissions and interest expense); custodial costs; management fee; taxes, if any; legal expenses; accounting expenses, including the fees to service providers for recordkeeping and valuation services; fees of the Private Funds' independent accountants for auditing and tax preparation expenses and other expenses related to the Private Funds.

The principal and other qualified employees of DG may from time to time invest their personal funds in Private Funds managed by DG. The Fund's general partner, in its sole discretion, may waive or reduce the management fee for limited partners that are principals, employees or affiliates of the general partner or the Adviser, relatives of such persons, and for certain large or strategic investors.

Side Letters

The Adviser may in its sole and absolute discretion, but is not required to, enter into agreements with certain Private Fund investors concerning their investments in the Private Funds that provide for terms of investment that are more favorable to such investors than the terms described in the Private Funds' offering memoranda (collectively, "Side Letters"). Such terms may include (i) the waiver, reduction or rebate of management fees, (ii) preferential transfer or liquidity rights, including additional withdrawal dates and waived or reduced withdrawal notice periods, (iii) the commitment to permit future investments in the Private Fund by investors when the Private Funds are otherwise closed to new or additional investments and (iv) undertakings designed to protect investors from violating an applicable statute or administrative regulation. The Adviser may also agree to provide certain investors with supplemental information and reports. The supplemental information or reports provided for in the Side Letter may affect the decision of its recipient to request a withdrawal of its capital. Side Letters will not generally entitle other investors to the same preferential terms of investment, and the Adviser may not disclose to other investors the existence or terms of any such Side Letters. The Adviser will enter into Side Letters only if and to the extent they are consistent, and implemented in accordance, with the governing documents of the Private Funds and the duties owed by the Private Funds to their investors.

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

DG has entered into performance fee arrangements with the Private Funds and other client accounts it manages. Performance-based fee arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying client accounts over other client accounts in the allocation of investment opportunities. DG has procedures designed to ensure that all clients are treated fairly and equally, subject to their investment objectives and restrictions, and to prevent these conflict from influencing DG's allocation of investment opportunities among clients.

Item 7 – Types of Clients

The Adviser currently provides investment advice to the Private Funds, foundations, endowments, pension and profit sharing plans, registered investment companies and other institutional investors. The Adviser may also provide services to banks, high net worth individuals, and additional registered investment companies, offshore and U.S. private investment funds and other investment pools.

The Adviser generally requires separate accounts to have a minimum market value of \$15,000,000. The minimum investment by an investor in the Opportunistic Fund or the Woodrow U.S. Partnership is \$1,000,000. Exceptions may be made based upon individual circumstances.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

In general, the investment process for buy, sell and hold decisions is a “bottom-up” approach. The Adviser believes that identifying companies and industries that have above average potential for earnings growth is essential to the long-term performance of its client accounts. Nevertheless, the Adviser also recognizes the potential for significant capital appreciation in securities having underlying values that exceed their current prices. Characteristics that the Adviser looks for include (but are not limited to):

- potential for above-average earnings growth;
- relatively low market valuations compared to underlying value;
- significant barriers to competition;
- strong management team that is focused on increasing market value; and
- recent favorable changes in management or operations.

Short positions are independently viewed by the Adviser as profit opportunities for its client accounts that allow for short positions as well as a degree of protection against a declining market. The following are among the characteristics that the Adviser looks for in selecting short positions for its client accounts:

- fundamental overvaluation by the market based on estimated earnings or other quantitative or qualitative factors and expectations of negative earnings surprises;
- weak or inexperienced management team;
- likelihood of deteriorating financial condition, increased competition or product obsolescence; and
- questionable accounting practices.

The Adviser does not, however, believe that high valuations or aggressive accounting methods alone are sufficient reasons to maintain a short position in an issuer.

Portfolio decisions are generally predicated on fundamental research produced internally, research from third parties, current market information, individual contacts, analyses from economic consultants and other sources deemed appropriate by the Adviser. The Adviser generally concentrates on the investment appeal of individual issuers, but macroeconomic and industry considerations may be used in establishing portfolio positions. Technical analysis may also be employed in evaluating individual securities as well as the overall portfolio composition.

Risks

It is possible that some of the investment vehicles and direct investments selected by DG will not meet all of the above criteria, and that some or all of the investments selected by DG will not perform as anticipated. Depending on conditions and trends in the financial and securities markets and the economy in general, DG may pursue any objectives, employ any investment techniques or purchase any type of security that it considers appropriate and in the best interests of clients that may not be described above subject to restrictions imposed by clients. There can be no assurance that the DG's investment strategy will achieve profitable results, and results may vary substantially over time. Past performance of a portfolio, Private Fund or Mutual Fund managed by DG or past performance of DG or its affiliates are not indicative of future results. Investors risk the loss of their entire investment.

The risks below are summaries of the material risks of DG's primary investment strategies. For more detailed information regarding each Private Fund's risks refer to the Private Fund's offering

memorandum. For more detailed information regarding each Mutual Fund's risks refer to each Mutual Fund's prospectus and statement of additional information.

General Investment, Equity and Derivatives Risks

Common Stock Risk. Common stock risks include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which a portfolio invests may experience periods of turbulence or instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

Small and Mid-Cap Stocks Risk. DG invests in companies with small and medium market capitalizations. Because these companies are relatively small compared to large-capitalization companies, they may be engaged in business mostly within their own geographic region and may be less well known to the investment community. Also, these companies often have less liquidity, less management depth, narrower market penetrations, less diverse product lines and fewer resources than larger companies. As a result of these factors, mid-capitalization stock prices have greater volatility than large company securities.

Growth Stock Risk. DG invests in companies that appear to be growth-oriented companies. If DG's perceptions of a company's growth potential are wrong, the securities purchased may not perform as expected, reducing a client portfolio's return.

Foreign Securities Risk. Investments in foreign securities involve greater risks compared to domestic investments for the following reasons: foreign companies may not be subject to the regulatory requirements of United States companies, so there may be less publicly available information about foreign issuers than United States companies; foreign companies generally are not subject to uniform accounting, auditing and financial reporting standards; dividends and interest on foreign securities may be subject to foreign withholding taxes and such taxes may reduce the net return to client accounts; and foreign securities are often denominated in a currency other than the United States dollar. Accordingly, client portfolios will be subject to the risks associated with fluctuations in currency values. Issuers of foreign securities may still be subject to the risk of expropriation, confiscation, taxation, currency blockage, or political or social instability, any of which could negatively affect client portfolios.

Emerging Markets Risk. DG invests in developing countries which may experience high rates of inflation or sharply devalue their currencies against the United States dollar, causing the value of investments in companies located in those countries to decline. Transaction costs are often higher in developing countries, and there may be delays in the settlement process.

Special Situations Risk. Special situations often involve much greater risk than is found in the normal course of investing. Liquidations, reorganizations, recapitalizations, material litigation, technological breakthroughs and new management or management policies may not have the effect on a company's price that DG expects, which could negatively impact client portfolios.

Portfolio Turnover Risk. DG may engage in aggressive portfolio trading. As a result, client portfolios could experience high portfolio turnover. A high rate of portfolio turnover in any year may increase brokerage commissions paid and could generate greater taxes for client portfolios on realized investment gains.

Investment Concentration. At times, a substantial portion of a portfolio's assets may be invested in the securities of a limited number of issuers or in a single industry. Investing a significant portion of a portfolio's assets in a single issuer or industry will make the portfolio susceptible to a greater degree than would otherwise be the case to risks affecting investments in such issuer or industry. Such concentration of investments will increase the volatility of the value of the portfolio's portfolio investments.

Investment in Illiquid Securities. Client portfolios may be invested in illiquid securities. As such, the portfolio may include securities that are not actively or widely traded (including without limitation securities

issued by certain small-cap and micro-cap issuers and by collective vehicles that limit the liquidity of capital withdrawals), are not registered under applicable securities laws or are contractually or otherwise restricted from resale. Such investments may be illiquid and involve a high degree of business and financial risk which can result in substantial losses. Because of the absence of active or regulated trading markets for these illiquid investments, and because of the difficulties in determining market values accurately, it may take a portfolio longer to be able to liquidate these positions (if they can be liquidated) than would be the case for more liquid securities. The prices realized on the resale of illiquid securities could be less than those originally paid by the portfolio. Further, companies whose securities are not publicly listed may not be subject to public disclosure and other investor protection requirements applicable to issuers of publicly traded securities.

Short Selling Risk. Positions in shorted securities are speculative and more risky than long positions (purchases). When a portfolio engages in short selling, it sells a security it does not own in anticipation of being able to buy that security later at a lower price. If the price of the security increases, the portfolio loses money. Further, during the time when a portfolio has shorted the security, the portfolio must borrow that security in order to make delivery on the previous sale, which raises the cost to the portfolio. Such investments involve the risk of an unlimited increase in the market price of the security sold short, which could result in a theoretically unlimited loss. Short sale strategies are often categorized as a form of leveraging or speculative investment. The use of leverage may multiply small price movements in securities into large changes in value. As a result of using leverage, the portfolio and its value may be more volatile than if no leverage were used. Positions in shorted securities are speculative and more risky than long positions. Any strategy that includes selling securities short could suffer significant losses.

Management Risk. Client portfolios are subject to management risk because they are actively managed by DG. DG will apply its investment techniques and risk analyses in making investment decisions for client portfolios, but there is no guarantee that its decisions will produce the intended result.

Derivatives Risk. Portfolios may utilize various investment strategies to seek to hedge market risks (such as broad or specific equity market movements) or to enhance potential gain. Techniques and instruments used by portfolios may change over time as new instruments and strategies are developed or regulatory changes occur. In the course of pursuing its investment objective, the Adviser may purchase and sell exchange-listed and over-the-counter put and call options on securities, indices and other financial instruments; purchase and sell financial futures contracts and options thereon; and purchase or sell instruments that incorporate the characteristics of the foregoing instruments and other esoteric instruments that may be developed in the future, all of which are forms of derivatives. Derivatives may be used to seek to protect against possible changes in the market value of securities held by or to be purchased for a portfolio, resulting from securities markets or currency exchange rate fluctuations; to seek to protect the portfolio's unrealized gains in the value of portfolio securities; to facilitate the sale of such securities for investment purposes; or to establish a position in the derivatives markets as a temporary substitute for purchasing or selling particular securities. Derivatives may also be used for non-hedging purposes to seek financial gain. DG's ability to successfully utilize derivatives will depend on its ability to predict pertinent market movements, which cannot be assured.

Derivatives involve a number of risks including possible default by the other party to the transaction, illiquidity and, to the extent DG's view of certain market or currency movements is incorrect, the risk that the use of such derivatives could result in losses greater than if they had not been used. The writing of put and call options may result in losses to client portfolios and force the purchase or sale of portfolio securities to the detriment of the portfolio.

The use of options and futures transactions entails certain other risks. Futures markets are highly volatile, and the use of futures may increase the volatility of the value of the portfolio's investments. The writing of options could significantly increase a portfolio's turnover rate and associated brokerage commissions or spreads. In addition, futures and options markets may not be liquid in all circumstances, and certain over-the-counter options may have no markets. As a result, in certain markets, a portfolio might not be able to close out a transaction without incurring substantial losses. Losses resulting from the use of derivatives

could reduce the value of a portfolio's investments, and the net result may be less favorable than if the derivatives had not been utilized. Use of futures and options transactions for hedging can limit any potential gain that might result from an increase in value of such position.

Fixed Income Securities Risk

Interest Rate Risks. Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities.

Credit Risks. Credit risk is the possibility that an issuer or counterparty will default on a security or repurchase agreement by failing to pay interest or principal when due. If an issuer defaults, the client's portfolio holding securities of that issuer may lose money. Lower credit ratings correspond to higher credit risk. Bonds rated BBB or Baa have speculative characteristics.

Call Risks. If the fixed income securities in which a portfolio managed by DG invests are redeemed by the issuer before maturity (or "called"), the portfolio may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the portfolio's overall yield. This will most likely happen when interest rates are declining.

Liquidity Risks. Liquidity risk refers to the possibility that the client's portfolio may not be able to sell or buy a security or close out an investment contract at a favorable price or time. Consequently, the portfolio may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on the portfolio's performance. Infrequent trading of securities also may lead to an increase in their price volatility.

Asset-Backed/Mortgage-Backed Securities Risks. Asset backed and mortgage-backed securities are subject to risks of prepayment. A portfolio's yield will be reduced if cash from prepaid securities is reinvested in securities with lower interest rates. The risk of prepayment also may decrease the value of mortgage-backed securities. Asset-backed securities may have a higher level of default and recovery risk than mortgage-backed securities. Both of these types of securities may decline in value because of mortgage foreclosures or defaults on the underlying obligations. Credit risk is greater for mortgage-backed securities that are subordinate to another security.

Government Obligations Risks. No assurance can be given that the United States government will provide financial support to United States government-sponsored agencies or instrumentalities where it is not obligated to do so by law. As a result, there is risk that these entities will default on a financial obligation.

High Yield Securities Risks. High yield securities tend to be more sensitive to economic conditions than are higher-rated securities and generally involve more credit risk than securities in the higher-rated categories. The risk of loss due to default by an issuer of high yield securities is significantly greater than issuers of higher-rated securities because such securities are generally unsecured and are often subordinated to other creditors. A portfolio may have difficulty disposing of certain high yield securities because there may be a thin trading market for such securities.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or potential client's evaluation of the Adviser or the integrity of its management. DG has no applicable disciplinary information.

Item 10 – Other Financial Industry Activities and Affiliations

The Adviser serves as the manager of the Private Funds. The Adviser, either directly or through affiliated entities or persons, may serve as the general partner (or in a similar capacity) to a Private Fund. The Adviser may recommend the purchase of interests in the Private Funds to its clients. The Adviser has adopted a Code of Ethics and Policy on Personal Trading and Related Activities concerning trading by personnel of the Adviser and its affiliates that is designed to detect and prevent potential conflicts of interest between the Adviser and its clients. Please refer to Item 11 below for additional information regarding the Adviser's Code of Ethics.

Item 11 – Code of Ethics

DG has adopted a code of ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act"). All clients and investors in the Private Funds managed by DG can request a copy of our code of ethics by contacting Kimberly Voss, Chief Administrative Officer and Chief Compliance Officer, at (617) 896-1514 and/or via electronic mail at kvoss@dgcap.com. In addition, a pre-qualified, approved, potential investor may also request a copy of our code of ethics.

The Adviser does not generally invest in securities for its own account. The Adviser's personnel may trade in securities for their own accounts, including securities that the Adviser has purchased and sold, or recommended for purchase and sale, for clients. The Adviser has adopted a Code of Ethics and Policy on Personal Trading and Related Activities (the "Policy") concerning trading by personnel of the Adviser and its affiliates that is designed to detect and prevent potential conflicts of interest between the Adviser and its clients.

The Policy, among other things, provides for the following:

- Officers, directors and employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others.
- All employees are required to submit quarterly reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest. Reports need not be submitted:
 - For accounts that are not directly or indirectly controlled by the Adviser or the reporting individual, or
 - For transactions in money market instruments, direct obligations of the United States government, and shares of United States registered open-ended mutual funds, other than mutual funds for which the Adviser serves as the investment adviser or sub-adviser.
- Advisory personnel of the Adviser who are responsible for rendering investment advice and research are required to disclose at research meetings any personal interest in a security under discussion.
- Employees are required to certify annually that they have complied with the Adviser's procedures governing personal trading.
- Employees are prohibited from accepting gifts of any material value from any person that does business with or on behalf of the Adviser.
- Employees are required to obtain advance approval to serve as a director or trustee of unaffiliated for-profit and non-profit organizations.

- Employees of the Adviser are subject to pre-clearance procedures that have been established to identify and minimize conflicts between personal trading activities of the Adviser's employees and its clients.
- Investment personnel are restricted from buying or selling a security for their own account within seven days before or seven days after a client trades in any security of the same issuer.
- Employees of the Adviser may not invest in initial public offerings or "private placements" without prior written approval.
- Employees of the Adviser are prohibited from engaging in late trading with respect to any mutual fund and, are discouraged from engaging in excessive and short-term trading practices, such as market timing, with respect to transactions in any mutual fund.
- With respect to clients that are registered investment companies, such purchases and sales must also comply with Section 17(j) of the Company Act and Rule 17j-1 thereunder.

Where appropriate, the Adviser may recommend the purchase of interests in the Private Funds or the Quaker Fund. The Adviser may receive economic benefits in the form of advisory fees from such purchases. In the course of its investment advisory services to other clients, the Adviser may recommend the purchase or sale by such other clients of securities also purchased, owned or sold by these entities. The Adviser may rebalance positions within the Private Funds through cross transactions with other eligible client accounts, in which securities may be bought or sold from a Private Fund to a client. By virtue of the ownership interest by the Adviser, its principals, its employees, or affiliated entities in one or more of the Private Funds, these cross transactions may be considered principal transactions. In such instances, the Adviser will disclose in writing the capacity in which it is acting and obtain written consent from the client, in accordance with the Adviser's policies and procedures. The Adviser will not execute principal trades with Employee Retirement Income Security Act ("ERISA") accounts or the Quaker Fund.

Item 12 – Brokerage Practices

Selection of Broker-Dealers

Best Execution. Generally, in the absence of specific instructions to the contrary, the Adviser has complete discretion with respect to client accounts without any limitations on its authority. This discretion includes the authority, without prior notice to the client, to buy and sell securities for client accounts and establish and effect securities transactions through accounts with broker-dealers selected by the Adviser. Clients may direct the Adviser to use one or more particular broker-dealers in managing their accounts (see "Directed Brokerage" below).

In placing orders for the purchase and sale of securities and selecting brokers to effect these transactions, the Adviser seeks prompt execution of orders at the most favorable prices reasonably obtainable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including, but not limited to, the following:

- A broker's trading expertise, including the broker's ability to complete trades; execute and settle difficult trades; obtain liquidity to minimize market impact and accommodate unusual market conditions; maintain anonymity; and account for its trade errors and correct them in a satisfactory manner.
- A broker's infrastructure, including order-entry systems; adequate lines of communication; timely order execution reports; an efficient and accurate clearance and settlement process; and capacity to accommodate unusual trading volume.

- A broker's ability to minimize total trading costs while maintaining its financial health, such as whether a broker can maintain and commit adequate capital when necessary to complete trades; respond during volatile market periods; and minimize the number of incomplete trades.
- A broker's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities; analyses and reports concerning such matters as companies, industries, economic trends and political factors; or services incidental to executing securities trades, including clearance, settlement and custody
- A broker's ability to provide services to accommodate special transaction needs, such as the broker's ability to execute and account for client-directed arrangements and soft dollar arrangements; participate in underwriting syndicates; and obtain initial public offering shares.

Directed Brokerage. Generally, the Adviser is retained on a discretionary basis and is authorized to determine which securities to buy or sell (including the amount of securities) and to direct execution of portfolio transactions within the client's specified investment objective without consultation with the client on a transaction-by-transaction basis. The Adviser prefers to select the broker-dealers that will execute portfolio transactions and, generally, the client leaves that selection to the Adviser. On occasion, a client may direct the use of a particular broker-dealer to execute portfolio transactions.

Directing brokerage to a particular broker-dealer may involve the following disadvantages to directed brokerage clients:

- Impairing the Adviser's ability to negotiate commission rates and other terms on behalf of directed brokerage clients.
- Denying to directed brokerage clients the benefit of the Adviser's experience in selecting broker-dealers who are able to execute efficiently difficult trades.
- Limiting directed brokerage clients' opportunities to obtain lower transaction costs and better prices by aggregating ("bunching") their orders with orders for other clients.
- Receiving less favorable prices on securities transactions to the extent that the Adviser must place transaction orders for directed brokerage clients after placing bunched transaction orders for other clients.

Use of Soft Dollars to Obtain Research Services

Where more than one broker-dealer is believed to be capable of providing the best combination of price and execution with respect to a particular portfolio transaction, the Adviser often selects a broker-dealer that furnishes research services. Research services may include:

- furnishing advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities,
- furnishing seminars, information, analysis and reports concerning issuers, industries, securities, trading markets and methods, legislative developments, changes in accounting practices, economic factors and trends, portfolio strategy, access to research analysts, corporate management personnel, industry experts and economists, comparative performance evaluation and technical measurement services and quotation services, and products and other services (such as third party publications, and reports and analyses, including the research described above) that assist the Adviser in carrying out its investment decision-making responsibilities (including but not limited to research and information services such as First Call, Thomson, Reuters, Bloomberg, Capital IQ, ISI Research, Dow Jones News Services, exchange quotation services (e.g., New York and American Stock Exchanges) and other similar services, and

- effecting securities transactions and performing functions incidental thereto (such as clearance and settlement).

In addition, if the Adviser determines in good faith that the commission charged by a broker-dealer is reasonable in relation to the value of brokerage and research services provided by such broker-dealer, the Adviser may cause a client account to pay such a broker-dealer an amount of commission greater than the amount another broker-dealer may charge, but generally within a competitive range for full service brokers. The Adviser may also enter into arrangements with brokers regarding the allocation of the minimum annual amounts of brokered transactions to such brokers. In exchange, the Adviser receives from such brokers' research and research-related software. A transaction will be placed with such brokers only if consistent with the best execution policies described above (which take into account the provision of research and related services). The Adviser will terminate any such arrangement or compensate the broker in cash for such research or software to the extent it cannot fulfill the arrangement consistent with such policies.

Additionally, when consistent with the best execution policies described above, the Adviser may establish arrangements with a broker-dealer to effect transactions and allocate a portion of the commission (which may be determined by the Adviser) to a pool of soft dollar credits from which the broker-dealer, at the direction of the Adviser, will pay third-party research preparers. The third-party research will be provided by the broker-dealer in that the broker-dealer will pay the research preparer directly; the broker-dealer will review the description of services to be paid for with client commissions under the safe harbor to concur with the Adviser regarding the eligibility of the services; and the broker-dealer will maintain procedures so that research payments are documented and paid for promptly. The Adviser will make a good faith determination regarding the amount of payments to the third-party research preparers, which may include broker-dealers that are not used to effect transactions.

Some "mixed-use" products or services can be used by the Adviser for both research/execution and non-research purposes, such as administration or marketing. If these products or services are obtained with soft dollars, the Adviser will allocate their cost between research and non-research uses. The Adviser will use its own hard dollars to pay that part of the cost which is attributable to non-research uses.

Some brokerage and research services received may benefit client accounts other than the account generating the soft dollar credits. The Adviser's receipt of research services will not reduce a client's investment advisory fees.

Bunching Orders

Although it need not do so, the Adviser may aggregate or "bunch" orders for multiple client accounts when the Adviser believes that bunching will result in a more favorable overall execution. If appropriate, the Adviser will allocate these bunched orders at the average price obtained. The Adviser may bunch a client's trades with trades of other clients and with accounts or pooled investment vehicles in which the Adviser and/or personnel of the Adviser have a beneficial interest pursuant to an allocation process the Adviser in good faith considers to be fair and equitable to all clients over time.

Balancing the Interests of Multiple Client Accounts

The Adviser may manage multiple accounts with similar investment objectives and strategies or may manage accounts with different objectives or strategies that may trade in the same securities. Despite these similarities, the Adviser's portfolio decisions about each client's investments and the performance resulting from these decisions may differ from those of other clients.

Allocating Investment Opportunities

The Adviser will not necessarily purchase or sell the same securities for client accounts at the same time or in the same proportionate amounts for all eligible clients. When the Adviser purchases thinly-traded securities or oversubscribed public offerings, it may not be feasible to allocate a transaction pro rata to all eligible clients. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

The Adviser allocates investment and trading opportunities among various clients (including the sequence of placing orders) in a manner believed by the Adviser to be fair and equitable to each client over time. In making these allocations and in departing from a proportionate allocation based on the relative sizes of client accounts, the Adviser will take into account the following factors:

- The clients' investment objectives and strategies
- The composition, size and characteristics of the account
- The cash flows and amount of investment funds available to each client
- The amount already committed by each client to a specific investment
- Each client's risk tolerance and the relative risk of the investment

The Adviser may deviate from strictly pro-rata allocation, when appropriate, taking into account the following factors:

- To avoid creating odd lot positions in any account
- To allocate a smaller portion to those accounts for which the purchased security would be a peripheral investment and a larger portion to those accounts for which the security would be a core investment
- To the extent that the purchased security is especially appropriate for accounts with certain investment goals or risk tolerances
- To satisfy demand with respect to an account's cash position relative to its portfolio (*i.e.*, to allocate a small portion to accounts with less cash or liquidity and a greater portion to accounts with more cash or highly liquid investments)
- When a proportionate allocation would, given the size of a client account, result in a position that is too small to be meaningful or too large to maintain an appropriate level of diversification

If it is not possible, in a single transaction or at a single price, to effect trades in a particular security that is appropriate for multiple accounts, the Adviser may, if feasible, compute and give to each participating client account the average price for that day's transactions in the securities.

Other methods of allocation that are fair and equitable to participating clients may be used where the Adviser deems that pro-rata allocation is less appropriate than such alternative means. These other methods of allocation may be especially appropriate when the transaction size is too limited to be effectively allocated pro rata among all eligible client accounts. The Adviser will allocate such limited securities pursuant to an equitable rotation basis.

Transactions Between Client Accounts

Sometimes the Adviser may consider a security being sold by one client to be appropriate for purchase by another client account. If the Adviser believes it to be in the interests of both clients, the Adviser may arrange to transfer or "cross" the security directly between the affected accounts. ERISA plan accounts may not participate in cross transactions. Any cross transactions would be effected at an independently determined market price and may incur a nominal brokerage commission for conducting the transfer. Although each client may incur customary custodian and transfer fees, none of these fees will be paid to the Adviser.

The Adviser or its principals, its employees, or its affiliated entities may hold ownership in one or more of the Private Funds. The Adviser may rebalance or cross transactions with such Private Funds in accordance with its policies and procedures.

Item 13 – Review of Accounts

Accounts are under continuous review by the Adviser's Chief Investment Officer. Major portfolio reviews are conducted monthly to gauge the appropriateness of the securities held, although unusual or abnormal performance will trigger more frequent reviews. Normal monthly account reviews occur simultaneously across all portfolios. Clients receive monthly and/or quarterly reviews that include, among other items, securities valuation, performance review, and activity in the latest reporting period.

Reporting to Investors in the Mutual Funds

With respect to Mutual fund portfolios advised by DG, the Adviser submits quarterly reports to the board of directors of the mutual funds to which it provides investment management services. The reports generally contain information about the fund's holdings, current market and economic conditions, and investment techniques used to implement such fund's investment strategy. In addition, Mutual Fund shareholders receive an annual report that discusses investment performance and relevant market and economic conditions affecting the Mutual Fund and which includes fund holdings. Additional information regarding each Mutual Fund's investments is also available to shareholders in the Mutual Fund's semi-annual report. Furthermore, a complete schedule of each Mutual Fund's portfolio holdings for the first and third fiscal quarters is filed with the SEC on Form N-Q.

Reporting to Investors in the Private Funds

Each investors in the Private Funds will also receive (i) within 120 days after the end of each fiscal year (or as soon thereafter as is reasonably practicable) audited annual financial statements of the Private Fund in which each investor has an interest and (ii) within 90 days after the end of each fiscal year (or as soon thereafter as is reasonably practicable), such tax information as is necessary for the investor to prepare and file United States federal income tax returns.

Opportunistic Fund

Each investor will receive monthly account transaction, balance information and fund reports from the custodian.

Woodrow U.S. Partnership

The general partner will provide each of the Fund's limited partners with a quarterly statement showing the limited partner's capital account balance and the amount of capital contributed to or withdrawn from the Fund by the limited partner since the last quarter-end adjustment date (as that term is defined in the Fund's offering memorandum).

Item 14 – Client Referrals and Other Compensation

The Adviser may, from time to time, engage the services of solicitors to assist the Adviser in securing advisory clients. Any such arrangements will be in compliance with Rule 206(4)-3 under the Advisers Act.

The Adviser may subscribe to certain data and research services provided by firms that may also serve as consultants to clients or potential clients. These subscriptions provide access to industry data, research, analytics, performance measurement, and peer comparisons and may include the Adviser in databases available to other subscribers or users. The Adviser does not seek and does not receive referrals for advisory services from these organizations as a result of subscribing to such services, although it is possible that the Adviser may be contacted by other subscribers or users concerning its advisory services.

Item 15 – Custody

The general partner to the Private Funds managed by DG has custody of those private funds' funds and securities through ability to access and control these assets and withdraw them from accounts at qualified custodians. DG satisfies its custody obligations by ensuring that all Funds are audited as required by the rule and that investors in the Funds receive the financial statements resulting from such audits as required.

Item 16 – Investment Discretion

At the start of a client relationship, the client grants DG the discretionary authority to manage a clients' account by executing a Client Agreement.

Item 17 – Voting Client Securities

The Advisers Act requires investment advisers to, at all times, act solely in the best interest of its clients. Rule 206(4)-6 of the Advisers Act requires any adviser who votes proxies on behalf of clients to have written policies and procedures. DG has adopted Proxy Voting Policies and Procedures ("Procedures"), which it believes are reasonably designed to insure that proxies are voted in the best interest of the client accounts it manages and in accordance with its fiduciary duties and Rule 206(4)-6 under the Advisers Act. The following is a summary of the Adviser's Procedures.

- Unless otherwise specifically directed by a client in writing, the Adviser is responsible for voting any proxies related to securities that it manages on behalf of its clients. Any directions from clients to the contrary must be provided in writing.
- In the event that the Adviser determines there is a material conflict between a client's interests and the Adviser's interests, the Adviser's President and Chief Investment Officer, Manu P. Daftary, will resolve the conflict in a manner that is in the collective best interests of its clients. This may include, without limitation, voting in accordance with pre-determined guidelines; obtaining consent of a majority in interest of clients before voting; engaging an independent third party to determine how to vote; or establishing an ethical wall or other informational barriers.
- The Procedures are intended to support the ability of management of a company soliciting proxies to run its business in a responsible and cost effective manner while staying focused on maximizing shareholder value. Accordingly, the Procedures include guidelines that set forth how the Adviser will generally vote on a number of significant proxy proposals. The Adviser's decisions may also depend upon the particular facts and circumstances of each proxy vote.
- The Adviser has delegated certain of its responsibilities under its Procedures to a third party, Glass Lewis & Co., but the Adviser has retained final authority and fiduciary responsibility for proxy voting and we will monitor Glass Lewis & Co.'s compliance with these Procedures. Glass Lewis & Co. is responsible for administering the proxy voting process and for analyzing, voting and keeping records of all proxy ballots on the Adviser's behalf. Glass Lewis & Co. votes proxies in accordance with the guidelines agreed upon between Glass Lewis & Co. and the Adviser. The Adviser will maintain copies of proxies and a record of how they were voted so that it may respond to questions a client may have regarding them.

Clients or investors may obtain information from us regarding how DG voted client proxies and may also request a copy of these Procedures by contacting Kimberly Voss, Chief Administrative Officer and Chief Compliance Officer, at (617) 896-1514 and/or via electronic mail at kvoss@dgcap.com.

Item 18 – Financial Information

A registered investment adviser is required to provide clients with certain financial information or disclosures about its financial condition. DG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.