

**ITEM 1  
COVER PAGE**

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**PART 2A OF FORM ADV: FIRM BROCHURE**

**DUNBAR CAPITAL INVESTORS, LLC**

**March 30, 2012**

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*This brochure provides information about the qualifications and business practices of Dunbar Capital Investors, LLC (“Registrant”, “we” or “us”). If you have any questions about the contents of this Brochure, please contact us at (212) 871-7100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.*

*We are registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.*

*Additional information about us also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **ITEM 2**

### **MATERIAL CHANGES**

The Registrant's previous Brochure was dated March 31, 2011. In this current Brochure, we have made a material change to Item 8, under "Expenses," by adding the following language: "In addition, one or more of the Funds may initially pay some or all of the expenses incurred by one or more of the other Funds. In such case and until reimbursed by such other Fund(s) for its/their allocable share of such expenses, the payor(s) will be subject to the credit risk of such other Fund(s)."

We strongly recommend that you review this Brochure in its entirety.

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## **ITEM 4**

### **ADVISORY BUSINESS**

Dunbar Capital Investors, LLC (“Registrant”, “we” or “us”) is a Delaware limited liability company that has been in business since 2000. We are principally owned by Rochelle Stern Major (majority owner) and Eugene Major. From 1996 to 2000, Eugene Major was a managing member of, and the investment adviser to, DCM (as defined below).

We are registered as an investment advisor with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and as such, are subject to internal compliance policies, and our books and records are subject to examination by the SEC. We also meet the requirements in order to be considered a qualified professional asset manager (QPAM) under PTE 84-14 issued by the U.S. Department of Labor. One or more of the Funds’ (as defined below) assets may at times constitute plan assets under the Employment Retirement Income Securities Act of 1974, as amended (“ERISA”).

We provide discretionary investment advisory services to the following private investment vehicles (each, a “Fund” and collectively, the “Funds”): Dunbar Capital Management, L.L.C. (“DCM”), Dunbar Capital Management I, L.L.C. (“DCMI”), Dunbar Horizons, LLC (“Horizons”), Dunbar Capital International Limited (“DCI”), and Dunbar Capital TEI QP Limited (“DCT”). We may provide discretionary investment advisory services to other private investment vehicles in the future. We do not provide non-discretionary investment advice.

We generally invest the Funds’ capital in private investment vehicles (“Underlying Investment Funds”) managed by third-party investment managers (“Underlying Fund Managers”). Such Underlying Fund Managers may invest or trade in a wide variety of securities and financial instruments, domestic and foreign, of all kinds and descriptions, whether publicly traded or privately placed. (See Item 8 below) Each Fund’s capital may also be invested with trading managers retained by such Fund in our discretion.

We generally do not permit investors in the Funds to impose limitations on the investment activities described in the offering documents for Funds. (See Item 16 below)

As of December 31, 2011, total discretionary assets under management in the Funds were \$179,001,938.

## **ITEM 5**

### **FEES AND COMPENSATION**

#### **DCM and DCMI**

The investment capital of each of DCM and DCMI consists of two classes of interests - Class A and Class C.

With respect to Class C interests, each of DCM and DCMI pays Dunbar Capital Advisors, LLC, the administrative managing member and our affiliate (the “Administrative Managing Member”), a quarterly management fee of 0.50% of the net asset value of each of DCM and DCMI, respectively, at the beginning of each calendar quarter (a 2.0% annual rate).

With respect to Class A interests, each of DCM and DCMI pays the Administrative Managing Member a quarterly management fee of 0.25% of the net asset value of each of DCM and DCMI, respectively, at the beginning of each calendar quarter (a 1.0% annual rate).

In addition, with respect to each of DCM and DCMI, generally at the end of each fiscal year, but only after each member has received a preferred return at the rate of six percent (6%) per annum on a non-cumulative basis for that year, we receive a fifteen percent (15%) performance-based allocation from each member’s capital account. However, we are not entitled to receive any performance-based allocation as to any member if that member’s capital account had previously incurred losses, until such losses are recovered through subsequent gains.

#### **Horizons**

With respect to Horizons, Horizons pays the Administrative Managing Member a quarterly management fee of 0.4375% of the net asset value of Horizons at the beginning of each calendar quarter (a 1.75% annual rate). Investors are not charged a performance-based fee or allocation by us or our affiliates.

#### **DCI and DCT**

The investment capital of each of DCI and DCT consists of two series of shares - Series B and Series C.

With respect to Series C shares, each of DCI and DCT pays to Dunbar Capital International Advisors, LLC, our affiliate (the “Administrative Manager” and, together with the Administrative Managing Member and us, the “Managers”), a quarterly management fee of 0.50% of the net asset value otherwise allocable to the shares of each of DCI and DCT, respectively, at the beginning of each calendar quarter (a 2.0% annual rate).

With respect to Series B shares, each of DCI and DCT pays the Administrative Manager a quarterly management fee of 0.25% of the net asset value otherwise allocable to the shares of each of DCI and DCT, respectively, at the beginning of each calendar quarter (a 1.0% annual rate).

In addition, with respect to each of DCI and DCT, respectively, generally at the end of each fiscal year, but only after each shareholder has received a preferred return at the rate of six percent (6%) per annum on a non-cumulative basis for that year, the Administrative Manager receives a fifteen percent (15%) performance-based fee allocable to each shareholder. However, the Administrative Manager is not entitled to receive any performance-based fee as to any shareholder if that shareholder's shares had previously incurred losses, until such losses are recovered through subsequent gains.

With respect to all of the Funds, the fees/allocations described above are generally not negotiable. However, we reserve the right to waive all or part of these fees/allocations in our sole discretion. The Administrative Managing Member and the Administrative Manager generally deduct management fees from Fund accounts quarterly in advance. Generally, we and the Administrative Manager receive performance-based fees/allocations from Fund accounts on an annual basis in arrears and upon redemptions by investors in the Funds.

Each Fund is responsible for the payment of the legal and accounting fees and expenses incurred by such Fund, all expenses relating to its marketing, investing, trading and related activities, if any, including, without limitation, interest, brokerage and insurance costs, fees and profit participations of Underlying Fund Managers, fees and expenses of trading managers, consultants and advisers, and computer service expenses, as well as its allocable share of all overhead expenses incurred by the Managers in providing services to such Fund. Such overhead expenses include, without limitation, expenses and cost of rent, furniture, computer software, telephone services, bookkeeping services, and the compensation of employees other than Rochelle Stern Major and Eugene Major. In the case of Horizons, a pro rata share of certain organizational and offering expenses are being amortized over a five (5) year period commencing on the date such expenses were incurred. (See Item 12 below)

Each Fund indirectly incurs similar fees, allocations and expenses, including management fees and performance-based fees or allocations, in its capacity as an investor in the Underlying Investment Funds, which in turn pay similar fees, allocations and expenses to their Underlying Fund Managers and other service providers. In addition, to the extent that a portion of a Fund's capital is invested in a managed account with a trading manager, including Eugene Major, retained by such Fund, such Fund may incur similar fees, allocations and/or expenses, including, management fees and performance-based fees or allocations. We have no current intention of allocating capital to a separate account managed by Eugene Major. (See Item 8 below)

The Managers reserve the right to compensate third parties, such as placement agents, for marketing or introductions of investors for the Funds, and such compensation may be paid, in whole or in part, by the Funds. (See Item 14 below)

In addition, the Managers reserve the right to assess a capital charge on subscriptions to the Funds (by new or existing investors) and on redemptions from the Funds, in an amount deemed necessary at that time to defray the transactional costs and expenses directly or indirectly incurred in establishing or liquidating investments and other administrative costs, including for the costs incurred as a result of subscriptions made after the normal time for which they are scheduled to be received. This charge would be for the account and benefit of a Fund and would not constitute a fee to the Managers.

Management fees are generally paid quarterly in advance. To the extent that investors in the Funds are permitted to withdraw other than on the last day of a quarter, the Funds typically do, but are not obligated to, provide a pro-rated rebate of management fees.

**ITEM 6**  
**PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We and the Administrative Manager receive performance-based fees or allocations from DCM, DCMI, DCI and DCT which are based on a percentage of the capital appreciation of such Funds' assets. Neither we nor our affiliates receive performance-based fees or allocations from Horizons. This may result in a conflict of interest when we allocate opportunities among these accounts because we will have an incentive to favor accounts that have performance-based fees and allocations. To avoid such a conflict of interest, we do not take into account the performance-based fees and allocations to which such accounts are subject when allocating opportunities among such accounts. (See Item 12 below)

As the management fees and performance-based fees and allocations are based directly on the net asset value of Fund accounts, we have a conflict of interest in valuing the assets held in the accounts. We follow the valuation policies documented in each Fund's offering documents in order to mitigate this risk.



## **ITEM 7**

### **TYPES OF CLIENTS**

We provide investment advice to the Funds. Investors in the Funds are generally high net worth individuals and institutional investors that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and, for U.S. investors in DCMI, Horizons and DCT, “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended). Investors in Horizons are further limited to (a) insurance companies (as defined in Section 816(a) of the Internal Revenue Code of 1986, as amended (the “Code”)) acquiring such interests in Horizons through segregated separate accounts to offer as an investment option for owners of variable contracts (as defined in Section 817(h) of the Code) and (b) other entities, plans or trusts identified in Treasury Regulation 1.817-5(f)(3).

The minimum investment for DCM, DCI and Horizons is \$250,000. The minimum investment for DCMI and DCT is \$100,000. The Managers have the discretion to accept lesser amounts.

## **ITEM 8**

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

#### **Methods of Analysis and Investment Strategies Generally**

Through our allocation of capital primarily among a diversified group of Underlying Investment Funds managed by Underlying Fund Managers, we seek to provide the Funds' investors a superior, long-term, risk-adjusted rate of return.

Eugene Major, our Chief Investment Officer, has relationships with an extensive network of hedge fund managers, many of whom have compiled impressive track records but are not well-known. In selecting Underlying Investment Funds in which to invest, we focus on, among other things, track records and strategies with the goal of assembling a group of funds pursuing a variety of investment strategies whose managers have achieved superior results. Such strategies may include, without limitation, hedged equity investing, merger arbitrage, convertible arbitrage, distressed securities investing, international equity investing, short-selling, short-term trading and "market-neutral" investing. We seek to reduce risk to the Funds by allocating their assets among a diversified group of investment strategies, some of which are expected to perform differently from one another under a given set of market conditions.

Typically, our evaluation of an underlying hedge fund and its manager includes an analysis of the following (among other things): (a) such fund's returns, volatility, draw-downs, risk-return profile, correlation with benchmarks, and performance in up and down markets; (b) such fund's portfolio of strategies and how those strategies will likely perform in the current and anticipated market environments; (c) such fund's historical exposures; (d) the likely influence of such fund's inclusion in the portfolio upon the portfolio's liquidity; (e) the education, work history, track record, legal and compliance history, and reputation of the senior investment professionals of such fund's manager; (f) such fund's asset under management history; (g) such fund's offering documents and other policy documents including an evaluation of liquidity provisions, organizational structure, fee structure, leverage constraints, valuation policies, employee trading policies, cash controls, risk management policies, and disaster readiness; (h) such fund's service providers, the level of investment by senior personnel of such fund's manager, general compliance culture, side letters, conflicts of interest, and technology infrastructure; (i) such fund's ownership concentration; and (j) such fund's annual financial statements. We also use disclosure materials prepared by underlying hedge funds that we consider for investments by the Funds.

In addition, we closely monitor the Underlying Fund Managers we select and determine on a regular basis if allocations need to be changed because of poor results, changes in the investment or economic environment or the availability of more promising alternative investments, or for re-balancing purposes.

In addition, we have an Investment & Risk Advisory Committee ("IRAC"). The IRAC evaluates and advises us with respect to the allocation of assets to new or existing Underlying Investment

Funds, redemptions from Underlying Investment Funds, management of risk and liquidity issues, global market and economic trends and any other matters presented at regular or special meetings. Although we have consistently acted in accordance with and the IRAC's advice in the past, we have the ultimate power to make investment and asset management decisions and are not obligated to do so.

A Fund's capital may also be invested in separately managed accounts with trading managers, including Eugene Major, retained by such Fund. We have no current intention of allocating capital to a separate account managed by Eugene Major. (See Item 5 above)

A Fund may borrow up to the maximum allowable amount under the law and the governing documents of such Fund.

### **Certain Material Risks Associated with Methods of Analysis and Investment Strategies**

Concentration Risks. The selection of Underlying Fund Managers within the investments of each Fund may not result in an effective and adequate diversification of investments for such Fund. Different Underlying Fund Managers acting separately may each acquire significant positions in the same investment. This may result in an inadvertent concentration by a Fund in an investment. A Fund's portfolio may be concentrated in securities of a limited number of issuers in a single industry. If an Underlying Investment Fund uses leverage, this will magnify the consequences of an error in investment judgment. The diversification policies of the Underlying Fund Managers may differ. As a result, the level of diversification may fluctuate. The holding period required to profit from investing in some undervalued and special situation securities may be longer than the period required to profit from more traditional investment positions.

Performance-Based Compensation. To the extent investors in a Fund are charged a performance-based fee or allocation, such fee or allocation may create an incentive for us to cause such Fund to make investments that are riskier or more speculative than would be the case if such amounts were not paid/allocated. In addition, many of the Underlying Fund Managers will be compensated in whole or in part by means of performance-based fees or allocations. This may increase their risk-taking, which could cause losses to the Funds.

Prior Performance. While we have experience managing the Funds, the past investment performance of a Fund may not be relevant for evaluating an investment in such Fund or any other Fund because, among other reasons, the investment policies, objectives and techniques of such Fund may be different from such other Funds and/or the economic, financial and political climate may differ. The Underlying Fund Managers may have previous experience managing investment and trading accounts (including accounts for Underlying Investment Funds whose principal activity is trading securities); however, the investment performances of such other accounts may not be relevant for evaluating an investment in a Fund. Accordingly, one should not expect a certain return on investment, for there is no documentation or evidence on which to base such a conclusion.

Business Dependent Upon Key Individuals. The Funds are dependent upon our investment ability, and Eugene Major's investment ability specifically, in selecting the Underlying Fund

Managers, and on the efforts of the Underlying Fund Managers that will ultimately be responsible for the performance of the Underlying Investment Funds. The Funds are also dependent on the Managers for their daily operations, all of which are controlled by Rochelle Stern Major. As such, each Fund is dependent on the services of Eugene Major and Rochelle Stern Major. In the event that the Funds were to lose the services of Eugene Major and/or Rochelle Stern Major, the Funds' performance could be adversely affected. In addition, the Funds' performance could be adversely affected in the event of the death, incapacity, resignation, termination or dissolution (if applicable) of any one or more of us or Underlying Fund Managers, or any key personnel thereof, if a suitable replacement were not to be found.

Lack of Transparency. While we are responsible for the allocation of each Fund's assets among the various Underlying Investment Funds, we will not have control over, and will not necessarily have access to information regarding, the day-to-day management of the Underlying Investment Funds. In this regard, we may not have access to information concerning the positions of the Underlying Investment Funds.

Multi-Level Fees. The Funds pay and/or reimburses fees and/or expenses to the Managers and certain service providers. In addition, each Fund indirectly incurs similar fees, allocations and expenses, including management fees and performance-based fees or allocations, in its capacity as an investor in the Underlying Investment Funds, which in turn pay similar fees, allocations and expenses to their Underlying Fund Managers and other service providers. Thus, each Fund may be subject to performance-based fees or allocations for its investments in Underlying Investment Funds even though such Fund may have experienced a net loss with respect to its aggregate investments in Underlying Investment Funds generally.

Expenses. The expenses of a Fund may be a higher percentage of net assets than would be found in other fund of funds, because, among other things, the Funds bears certain types of expenses that may not be borne by other fund of funds. In addition, one or more of the Funds may initially pay some or all of the expenses incurred by one or more of the other Funds. In such case and until reimbursed by such other Fund(s) for its/their allocable share of such expenses, the payor(s) will be subject to the credit risk of such other Fund(s).

Investment and Trading Risks. **Investing in securities involves risk of loss that clients should be prepared to bear.** We believe that each Fund's investment program and research techniques will moderate this risk through a careful selection of Underlying Investment Funds in which such Fund selects to invest its assets. No guarantee or representation is made that a Fund's program will be successful. The investment program of each Underlying Investment Fund may utilize such investment techniques as trading in put and call options and other derivatives, limited diversification, the use of leverage and short sales, which practices can, in certain circumstances, increase the adverse impact to which the Underlying Investment Fund may be subject. In addition, in certain transactions, an Underlying Investment Fund may not be "hedged" against market fluctuations or, in reorganization or liquidation situations, may not accurately value the assets of the company or the degree of legal and regulatory risk, thereby resulting in losses for the Underlying Investment Fund. A Fund's losses with respect to an Underlying Investment Fund should generally be limited to the amount invested in such Underlying Investment Fund.

Leverage; Interest Rates; Margin. Underlying Investment Funds in which a Fund may invest may borrow funds from brokerage firms, banks and other available sources in order to be able to increase the amount available for investments and/or for other purposes, including, without limitation, short-term financing. In addition, Underlying Investment Funds may in effect borrow funds through entering into repurchase agreements, and may purchase or sell options, forwards and other derivative instruments. The amount of borrowings which Underlying Investment Funds may have outstanding at any time may be large in relation to its capital. Consequently, the level of interest rates, generally, and the rates at which Underlying Investment Funds can borrow, in particular, will affect the operating results of such Underlying Investment Funds, and thus affect the Funds that invest in them. Leverage has the effect of magnifying both profits and losses compared with unleveraged positions. In addition, a Fund may engage in similar practices.

Short-term borrowings could result in certain additional risks to a Fund. For example, should the securities pledged to brokers to secure an Underlying Investment Fund's margin accounts decline in value, such Underlying Investment Fund could be subject to a "margin call" pursuant to which such Underlying Investment Fund would either have to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of an Underlying Investment Fund's assets, such Underlying Fund Manager might not be able to liquidate assets quickly enough to pay off its margin debt and may therefore also suffer additional significant losses as a result of its default.

Short Sales. The Underlying Fund Managers have the power to sell securities short; that is, sell securities that they do not own, and fulfill their delivery obligations with respect to such sales with borrowed securities. In order to engage in short selling, the parties must be able to arrange to borrow the securities in order to deliver them. If the parties are unable to find a lender of securities sold short, they could be required to cover the short position involuntarily and at a loss. In theory, because there is no limit to how high the price of a security can rise, losses from short sales can be unlimited (although in general a Fund's potential liability to losses in an Underlying Investment Fund is limited to the amount of such Fund's investment in such Underlying Investment Fund).

Calculation of Net Asset Value. Net asset value of a Fund will be calculated by reference to the net asset value of the Underlying Investment Funds in which it invests. The procedures for the calculation of the net asset value of Underlying Investment Funds may not correspond to the method of calculation adopted by a Fund. In addition, the dates on which Underlying Investment Funds and a Fund calculate and/or report net asset value may not coincide. As a result, the calculation of net asset value in relation to a Fund and each class and series of investor interests therein may be made on the basis of net asset values for Underlying Investment Funds that are either estimated or historic. Such estimated net asset values and historic net asset values may vary significantly from the actual value of the net assets of the respective Underlying Investment Funds on the valuation date. Such variations may, among other things, result in the subscription price, the management fee, the incentive fee and the proceeds of a redemption for investor interests representing a discount or a premium.

Frequent Trading. The strategies employed by the Underlying Fund Managers may require frequent trading. In such case, portfolio turnover and brokerage commission expenses may exceed those of other investment entities of comparable size, and affect a Fund's earnings.

In-Kind Distributions. Although each Fund expects to liquidate all of its investments prior to its termination and distribute only cash to its investors, there can be no assurance that each Fund will meet this objective. In addition, if significant redemptions are requested, a Fund may be unable to liquidate its investments in Underlying Investment Funds at the time such redemptions are requested or may be able to do so only at prices which it believes do not reflect the true value of such investments and which would adversely affect its investors. Under the foregoing circumstances, the investors in such Fund may receive in-kind distributions of securities or instruments in lieu of cash, if permitted by law and by contracts with such Underlying Investment Funds. Such securities and instruments may not be readily marketable or salable and may have to be held by the investor, or by us in trust for the investor, for an indefinite period of time. Since one or more Underlying Investment Funds may also make in-kind distributions upon any redemption by any Fund, the Funds are also exposed to such risks.

Market Conditions. The financial markets may exhibit increased volatility. Events and uncertainty may result in vast fluctuations in market prices on a daily basis. Market participants may react quickly to unconfirmed reports or information and as a result there may be drastic unexpected market movements, up or down, in short periods of time. While this may create opportunities for Underlying Fund Managers to identify undervalued investments, it also may make it difficult for Underlying Fund Managers to anticipate or predict future market movements. Certain investments may have to be held for longer periods of time until their value potential can be realized, if at all. Changes in government regulations and policies may impact investment and trading opportunities and/or strategies in ways that are hard to anticipate. In addition, increased volatility and vast fluctuations in the financial markets could make it more difficult for Underlying Fund Managers to access sources of leverage.

Market Risk. The Underlying Investment Funds may commit a portion of their capital to strategies that are not "market-neutral" and that depend for success upon correctly assessing future price movements of stocks, bonds, commodities, or foreign currencies. No one can ensure that the Underlying Fund Managers will accurately predict these price movements. Furthermore, each investment strategy, even one that is "market-neutral," involves some, and occasionally a significant degree, of market risk.

Lack of Custodianship. The Funds do not control the custodianship of the securities owned by the Underlying Investment Funds. The banks or brokerage firms selected by the Underlying Fund Managers to act as custodians may become insolvent; therefore, a Fund may lose all or a portion of its funds held by any such custodian.

Potential Litigation. Some Underlying Investment Funds accumulate substantial positions in the securities of a company, engage in proxy fights, and become involved in litigation or attempts to gain control of a company. Under such circumstances, a Fund might be named as a defendant in a lawsuit or regulatory action.

Agreements with Certain Investors; Access to Information; Enhanced Liquidity. Subject to applicable law (including ERISA), a Fund and/or the Managers may enter into “side letter” agreements with certain investors pursuant to which they may give such investors access to more frequent and/or more detailed information regarding the Fund’s positions, performance and finances. In addition, pursuant to such side letter agreements and subject to applicable law (including ERISA), certain investors may receive the right to redeem all or a portion of their investor interests from a Fund on shorter notice and/or with more frequency than others.

\* \* \*

A more detailed discussion of the risks associated with the investment strategies in which the Funds may engage is contained in each Fund’s offering documents, which we will provide to each prospective investor for his or her review and consideration prior to investing in a Fund. Each prospective investor in a Fund will be required to complete a Subscription Agreement pursuant to which he or she must represent that he or she is qualified for investment in such Fund, and acknowledge and accept the various risks that are associated with such an investment.

**ITEM 9**  
**DISCIPLINARY INFORMATION**

Not applicable.



## **ITEM 10**

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

We and our related persons currently manage the Funds.

The management of multiple pooled investment vehicles may result in conflicts of interests when we and our related persons allocate our time and investment opportunities among the Funds and any other clients. In addition, the compensation earned by us and our related persons from each of the Funds may differ from one another and any other clients. We and our related persons generally follow certain procedures in allocating investments among the Funds and any other clients. (See Item 12 below)

Subject to applicable law, including, without limitation, ERISA, we may use swap transactions and intercompany investments (including with Funds in which we or our related persons may have a significant interest) as a means of rebalancing the portfolios. This may result in a conflict of interest because such transactions may result in benefits to one transacting party that may be greater than the benefits to the other transacting party. We believe that the process we use is one that is fair and equitable to the investors in the Funds. (See Item 12 below)

Our principals (and/or other related persons) may have a greater portion of their personal assets invested in certain of the Funds than in the others. As a result, we may have a conflict of interest in allocating investment opportunities among the Funds. We generally follow certain procedures in allocating investment opportunities among the Funds. (See Item 12 below)

We may cause certain of the Funds to invest all or a portion of their assets in other Funds or other affiliated private investment entities. To the extent that we do so, we waive fees at one of the Fund levels. Horizons currently invests a portion of its assets in DCM and DCMI.

Either the Administrative Managing Member or the Administrative Manager serves as manager to a Fund and, as such, is primarily responsible for the administrative services of such Fund. There are no material conflicts of interest resulting from the relationship between us and the Administrative Managing Member and the Administrative Manager other than any conflicts described above.

**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**  
**AND PERSONAL TRADING**

We have adopted a Code of Ethics (the “Code”) which sets forth standards of ethical and business conduct expected of our personnel. The Code requires compliance with all federal securities laws and reflects our fiduciary responsibilities and those of our advisory personnel.

The Code adopted by us details the standards of conduct for us and our employees. Among other things, it governs the personal investment transactions of our employees, the prohibition of insider trading, our policies with respect to gifts and entertainment and other outside activities of our employees. The Code also provides the manner in which potential violations of the Code are reported, investigated and resolved.

We recommend that prospective investors invest in the Funds. Our principals (and/or other related persons) have significant personal investments in one or more of the Funds. In addition, generally, we and the Administrative Manager receive performance-based fees or allocations from the Funds. Finally, pursuant to the governing documents of the Funds, we may cause certain of the Funds to invest all or a portion of their assets in other Funds or other affiliated private investment entities. To the extent that we do so, we waive fees at one of the Fund levels.

Subject to applicable law, including, without limitation, ERISA, we may use swap transactions and intercompany investments (including with Funds in which we or our related persons may have a significant interest) as a means of rebalancing the portfolios. We believe that the process we use is one that is fair and equitable to the investors in the Funds. (See Item 10 above)

In order to reduce certain conflicts of interest that may arise between our Fund accounts and the personal trading activity of our employees, we have adopted a personal trading policy in accordance with Rule 204A-1 under the Advisers Act. The personal trading policy imposes certain restrictions on the personal trading of our employees and establishes certain reporting obligations.

Our employees may buy or sell securities and other financial instruments for their personal accounts that are also held by Underlying Investment Funds, subject to the policies and procedures set forth in the Code.

A copy of the Code will be furnished upon request. Investors or prospective investors may request a copy of the Code by contacting us.

## **ITEM 12**

### **BROKERAGE PRACTICES**

#### Brokerage Practices

The Underlying Fund Managers have the authority to determine the broker or dealer to be used for each securities transaction for the Underlying Investment Funds. In selecting brokers or dealers to execute transactions, the Underlying Fund Managers may not solicit competitive bids and may not have an obligation to seek the lowest available commission cost. In addition, the Underlying Fund Managers may not negotiate “execution only” commission rates and, thus, may be deemed to be paying for research and execution services provided by the broker which are included in the commission rate.

It is expected that the use by most Underlying Fund Managers of commission or “soft dollars” to pay for research products or services generally falls within the safe harbor for “soft dollars” created by Section 28(e) of the Exchange Act. Such research services may include, without limitation: written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel, financial publications; statistical and pricing services along with software, databases and other technical and telecommunication services utilized in the investment management process. Under Section 28(e), research obtained with “soft dollars” generated by Underlying Investment Funds may be used by the Underlying Fund Managers to service accounts other than the Underlying Investment Funds in which the Fund(s) invest. Therefore, the Underlying Investment Funds in which the Fund(s) invest may not, in a particular instance, be the direct or indirect beneficiary of the research or related services provided.

To the extent that we engage in any trading activities on behalf of a Fund, similar conflicts may arise. Subject to applicable law, any fees and commissions used to compensate third parties, such as placement agents, in connection with the sale of investor interests may be paid with directed commissions and/or “soft dollars.” Subject to applicable law, we also may use directed commissions, “soft dollars,” management fees and/or incentive fees/allocations to cover the Funds’ operational and administrative expenses. To the extent a Fund is deemed to hold “plan assets” under ERISA, such Fund will limit its use of “soft dollars” to obtain research products or services which meet the “safe harbor” under Section 28(e).

A Fund may request Underlying Investment Funds in which it invests to direct brokerage commissions to broker-dealers who advance the sale of such Fund’s interests, consistent with best execution.

### Allocation of Investment Opportunities

Subject to applicable law and each Fund's investment guidelines, we generally seek to invest the portfolios of the Funds on a pari passu basis. Therefore, when we determine that a particular investment opportunity would be desirable for more than one Fund, we allocate such opportunity pro rata among the Funds, and if such allocation is not possible, we allocate such investment opportunity in a manner that we deem fair and equitable under the circumstances existing at such time.

In practice, it can be difficult for us to invest the portfolios of the Funds on a pari passu basis. For example: (i) an Underlying Investment Fund may have a limited number of investment slots available, (ii) there may be restrictions on the size or timing of investments in or withdrawals from an Underlying Investment Fund and/or (iii) investments in and withdrawals from a Fund may not coincide with investments in and withdrawals from the other Funds. Subject to applicable law, including, without limitation, ERISA, we may use swap transactions and intercompany investments (including with Funds in which we or our related persons may have a significant interest) as a means of rebalancing the portfolios. We believe that the process we use is one that is fair and equitable to the investors in the Funds.

### **ITEM 13**

#### **REVIEW OF ACCOUNTS**

The investment portfolios for each Fund are reviewed monthly by several professionals, including Larry Wiseman, our Director of Research, and Eugene Major, our Chief Investment Officer, and other members of the IRAC. Additionally, our analysts conduct daily and routine research, due diligence reviews, and risk assessments of the Underlying Investment Funds and Underlying Fund Managers.

Investors in the Funds generally receive the following regular reports: (i) annual audited financial statements within 180 days after the end of each fiscal year of the Funds; (ii) unaudited, monthly written performance reports; and (iii) with respect to DCM, DCMI and Horizons, annual written tax information necessary for the completion of U.S. federal, state and local income tax returns generally within such time frame or as soon thereafter as practicable after the end of each fiscal year of these Funds.

We may provide certain investors in a Fund access to more frequent and/or more detailed information regarding such Fund's investments, performance, finances, and management and/or other information about any of the Funds or us, possibly enabling such investors to better assess the prospects and performance of the Funds.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

The Managers reserve the right to compensate third parties, such as placement agents, for marketing or introductions of investors to the Funds. Any fees and commissions incurred in connection with the sale of interests in a Fund may be paid by the investors (with their consent) who purchase interests through such third parties (up to a maximum of 4% of such investors' investment), paid by the Managers from the management fees and/or performance-based fees/allocations charged to the investors who purchase interests of such Fund through such third parties, and/or paid by such Fund (provided that the payment of any such fees and commissions by such Fund does not adversely affect the investors in such Fund in any material respect). Subject to applicable law, including ERISA, any such fees or commissions may be paid with directed commissions and/or "soft dollars."

We have adopted a solicitation policy in accordance with Rule 206(4)-3 under the Advisers Act. Among other aspects of the policy, referred investors in the Funds receive, and acknowledge receipt of, the solicitor's written disclosure document.

**ITEM 15**  
**CUSTODY**

Not applicable.

**ITEM 16**  
**INVESTMENT DISCRETION**

We have full discretionary authority to make investment decisions for the Funds. Generally, our authority is limited by our own internal policies and procedures and each Fund's investment guidelines and other terms contained within the governing documents.

We typically invest the assets of the Funds in Underlying Investment Funds that, in turn, make direct investments.



## **ITEM 17**

### **VOTING CLIENT SECURITIES**

We have adopted written proxy voting guidelines in accordance with Rule 206(4)-6 under the Advisers Act. It is our policy to vote each proposal in the best interest of each Fund.

Our proxy policy addresses a broad range of issues, including, among others:

- (a) management of the issuer's views and recommendations on such proposal;
- (b) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (e.g., instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and
- (c) whether he or she believes that the proposal will fairly compensate management for its and/or the issuer's performance.

If we decide that the issue being voted upon is not material for us and the Funds, we are not obligated to vote on the matter.

As a matter of process, we will vote proxies for each Fund in accordance with our proxy policy. We may, however, vote in a manner that is contrary to the general guidelines if we believe that it would be in a Fund's investors' best interest to do so.

Investors in the Funds may obtain a copy of our proxy policy upon request.

It is not anticipated, however, that the Funds will own securities that would grant the Funds a right to vote a proxy.

**ITEM 18**  
**FINANCIAL INFORMATION**

Not applicable.

**ITEM 19**  
**REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not applicable.