

Brochure

This brochure provides information about the qualifications and business practices of DBAY Advisors Limited ("DBAY"). If you have any questions about the contents of this brochure, please contact us at +44 1624 690900. 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 nor the Isle of Man Financial Supervision commission.

Additional information about DBAY Advisors Limited also is available on the SEC's website at www.adviserinfo.sec.gov

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Material Changes

DBAY is required to identify and discuss any material changes made to its brochure since the last annual update. This is the first issue. Clients should review this brochure carefully. If there were material changes to its brochure, this section will be revised to include a summary of the changes.

Version no.	Issue date	Amendment - whole / partial	Reason for amendment
1.00	10 March 2015	Whole	First issue of document.

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1 Advisory Business

a) Description and ownership

DBAY Advisors Limited (“DBAY”), is a private limited liability company incorporated under the laws of the Isle of Man on 15 July 2011 under the provisions of the Companies Acts 1931 to 2004.

DBAY is licenced by the Isle of Man Financial Supervision Commission in the Isle of Man, holding an investment business license under section 7 of Financial Services Act 2008. DBAY is licensed by the Isle of Man Financial Supervision Commission to carry on the following regulated entities:

Class 2 investment business

Class 3 Services to collective investment schemes

Class 4 Corporate Service Provider.

DBAY is also registered with the U.S. Securities and Exchange Commission as an investment adviser (this registration does not imply a certain level of skill or training).

The owners of DBAY are set out on Schedule A of Part 1A of DBAY’s Form ADV. Alex Pausco is a principal owner of DBAY

b) Client assets managed on a discretionary basis

DBAY has approximately US\$ 83,302,394.46 regulatory assets under discretionary management (as at 1 March 2015), which amount includes uncalled capital commitments as of that date. DBAY does not currently manage any assets in a non-discretionary manner. These assets are, as at the date of registration with the SEC, held in two vehicles one of which is a Jersey domiciled limited partnership (“the Fund”) and one vehicle registered in the Cayman Islands.

As at the date of this document the Fund is a Jersey collective investment fund (“the Fund”) and is a regulated eligible investor fund subject to regulation in Jersey Under the Collective Investments Funds (Jersey) Law 1988 (“**CIF(J)L**”). The general Partner to the fund is also subject to regulation in Jersey but under the Financial Services (Jersey) Law 1998 (“**FS(J)L**”).

The Cayman vehicle is a special purpose vehicle set up for the sole purpose of providing co investment opportunities (“the SPV”).

DBAY does not participate in wrap fee programs.

2 Fees and compensation

DBAY receives for providing investment management services to the Fund and the SPV (“together the Clients”) a management fee and performance fee. The fees are set out in detail in each of the entities constitutional documents.

DBAY may waive the Management fee with respect to the capital accounts of members, partners, officers, managers, employees or affiliates of DBAY or other limited partners in DBAY’s sole discretion.

DBAY is responsible for its own day-to-day operating expenses, including office overhead and compensation of employees.

3 Performance-Based Fees

DBAY and the SPV are entitled to a carried interest equally to 20% of the Fund's profits after payment of the Hurdle Return. (As set out in the Private Placement memorandum of the Fund)

Distributions

All income and realisation proceeds will, after satisfying any expenses and liabilities of the Fund and subject to payment of the Management Fee and the retention and re-investments rights be distributed as set out in the Private Placement memorandum of the Fund.

4 Types of Clients

DBAY provides investment management and advice to a limited partnership and also a Cayman special purpose vehicle ("together the Clients").

DBAY may give existing investors in a fund and third parties, an opportunity to co-invest alongside a fund. The terms of any such investment would be set by DBAY at the time of such investment.

5 Investment Strategy / Investing Policy / Risks

a) Investment Strategy

DBAY manages a fund that makes value investments in European micro caps (market capitalisation below €400 million), with particular emphasis on companies with a market capitalisation between €50 million and €250 million.

The Clients risks (which do not purport to be an exhaustive listing or explanation of the potential risks of an investment into the Fund) are set out clearly in the latest Private Placement Memorandum of the Fund to which eligible potential investors read prior to making an investment decision. The investors in the Fund and SPV are sophisticated investors who are aware of, understand and are prepared to accept the risks involved and whose financial resources are sufficient to enable them to assume such risk and who have no immediate need for liquidity in their investment or repayment of their outstanding loan.

6 Disciplinary Information

There is no disciplinary information to report for DBAY nor for any persons associated with DBAY, the Fund or the SPV

7 Other Financial Industry Activities and Affiliations

There are common Directorships and shareholders of DBAY and Laxey Partners Limited ("Laxey"), an investment manager incorporated in the Isle of Man and licenced by the Financial Supervision Commission of the Isle of Man. Laxey is also registered with the SEC (CRD 125239). The Chief Compliance Officer and Company Secretary of DBAY is the same as Laxey and both DBAY and Laxey have their offices at the same registered address.

Both DBAY and Laxey maintain a conflicts of interest register, in which these and other conflicts are disclosed. The conflict register is available to the Clients and prospective investors into the Clients upon request from DBAY.

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

DBAY maintains a compliance manual that incorporates a Code of Ethics. The Chief Compliance Officer is designated as the person responsible to administer the policies and procedures of DBAY.

a) Code of Ethics

DBAY conducts its business fairly, impartially, in an ethical and proper manner, in accordance with the company's values rules and procedures, and in full compliance with all laws and regulations. In the course of conducting company business, integrity must underlie all company relationships, including those with customers, suppliers, communities and among employees. The highest standards of ethical business conduct and compliance are required of its employees in performance of their company responsibilities. Employees must not engage in conduct or activity that may raise questions as to the company's honesty, impartiality, reputation or otherwise cause embarrassment to the company. Conduct that is prohibited under its policies or does not comply with the laws and regulations may not be accomplished on an employee's behalf by anyone outside the company.

POLICY STATEMENT ON ETHICAL PRACTICES

Background

Staff must have regard to, and ensure they comply with, this Policy Statement, in everything they do in their day to day work at DBAY.

This Policy Statement describes the framework within which the Board expects the business of DBAY to be conducted. It consists of 3 high level statements together with explanatory notes accompanying each statement.

Statement 1: The Board will always expect full compliance by staff with DBAY's (and staffs) obligations under the Regulatory Requirements.

General

DBAY applies a policy of strict compliance with its regulatory requirements. This means that the Board expects not just compliance with the letter of the regulatory requirements and the Policies & Procedures ("P&P") Manual but also with the spirit of what the regulatory requirements and the P&P Manual are designed to achieve. It is not DBAY's policy to act or arrange its affairs purely to avoid its responsibilities under the regulatory requirements.

AML/CFT Legislation

The Board recognises the importance of strict adherence to effective systems and controls to combat the laundering of criminal funds and terrorist financing both for the protection of DBAY and its staff. Any failure by staff to follow procedures put in place by the Board to forestall and prevent money

laundering will be treated as a serious failing. Disciplinary action may be taken, including immediate dismissal.

Other Financial Crime

DBAY needs also to be vigilant to the manner in which it conducts business to ensure it does not become the victim of, or be in a position to be accused of, other forms of financial crime, such as fraud or dishonesty, misconduct in or misuse of information.

In particular, DBAY will ensure compliance by its staff with all anti-bribery laws applicable to DBAY in Isle of Man or elsewhere. Failure by staff to comply with Policies and Procedures put in place by DBAY to combat bribery and corruption will be a disciplinary matter.

Whistle Blowing

It is important that staff always comply with all regulatory requirements and the P&P Manual. A failure to do so is regarded by the Board as a serious failure. Even more serious would be any attempt to cover up or conceal a failure to comply, which would result in disciplinary action. Any member of staff who believes another person is concealing any such failure is expected to inform the Compliance Officer (“CO”) and/or a director. Any such disclosure made in good faith, will be kept confidential.

There is a full Whistleblowing Policy set out in the P&P Manual of the Company.

Statement 2: The Board expect staff always to act honestly, fairly and professionally in accordance with the best interests of customers.

In order to comply with this Statement the Board expect staff, in their conduct with customers, to act with due skill, care and diligence when fulfilling their responsibility to customers. In particular:-

- pay due regard to the interests of customers and treat them fairly;
- pay due regard to the information needs of customers and communicate with them in a way that is clear, fair, timely and not misleading;
- take reasonable care to ensure the suitability of advice given and discretionary decisions taken for any customer who is entitled to rely upon such judgement;
- ensure conflicts of interest are managed fairly both between DBAY and its customers and between different customers;
- always be open, transparent and honest with customers about DBAY’s business arrangements.

Statement 3: The Board will organise and control the affairs of DBAY effectively.

Governance & Controls

The Board and its managers will organise and control the affairs of DBAY responsibly and effectively with adequate risk management systems in place and take appropriate and practical responsibility for matters of corporate governance and internal controls. In particular the Board will ensure:-

- the structure of DBAY is clear and appropriate to its size;
- all staff are aware of and fully understand their reporting lines and responsibilities;
- the Board and senior management will exercise appropriate oversight and monitoring of the business and operate on the principle of collective responsibility
- robust internal controls are always in place including up-to-date documented procedures consistent with regulatory requirements and operational environment of DBAY.

Financial

Adequate financial resources and insurance arrangements will be in place at all times sufficient to ensure the efficient and effective running of DBAY.

Manpower

The Board places great importance on ensuring all its staff have the appropriate skills and competence for the work they do. Staff training is a partnership between DBAY and its staff, whereby DBAY will ensure a proper structured programme of training is in place for each member of staff appropriate to the tasks demanded of him/her in their job. Staff in turn will use best endeavours to achieve levels of training and qualifications expected of them.

b) Conflicts**General**

DBAY will take all reasonable steps to ensure fair treatment for its customers both between itself and its customers and between different customers. This will include:-

- advising customers of actual or potential conflicts of interest;
- internal arrangements to properly mitigate and manage conflicts of interest (e.g. segregation of duties, creating "chinese walls" where possible);
- where, appropriate, declining to act for a customer.

Material Interests

If staff are aware that they or DBAY has, or may have, a material interest in a transaction to be entered into with or for a customer that gives, or may give, rise to a conflict of interests then staff must not knowingly advise, or deal in the exercise of discretion, in relation to that transaction unless the member of staff takes reasonable steps to ensure fair treatment for the customer. This can be by way of Chinese walls or disclosure etc.

The Board of directors of DBAY review (and update where necessary) the conflicts register, which is maintained by the Compliance Officer of DBAY, at each quarterly board meeting. The staff are also requested on a regular basis to review and provide comments on the same conflicts register.

PROCEDUREBetween Staff and Customers

If a material relationship, arrangement or interest arises which puts a member of staff in such a position where he/she may be induced to act in a manner which is not in the customer's best interests that member of staff must:-

- disregard that relationship, arrangement or interest, when advising or dealing for a customer or disclose fully to the customer the nature of the conflict of interest; and
- obtain the customer's consent to start advising or acting or to continue to act or advise, despite the existence of the conflict.

If it is impossible to manage the conflict of interest or, where the customer does object, staff must decline to act on behalf of the customer.

In all cases such a conflict must first be discussed with the Compliance Officer who must confirm the appropriate action to be taken.

Between Customers

Where a conflict of interest arises between two different customers, the following steps must be taken:-

- both customers must be informed of the existence of the conflict on a 'no names' basis;
- the Compliance Officer must be contacted to establish whether it is possible to manage the conflict in a way that will avoid having to cease acting for one or both customers.

Note: This is subject to the customer consenting to this course of action. Important: In any circumstances where it is suspected that there is a conflict of interest or a potential conflict may arise, the Compliance Officer should be informed. Also, if in any doubt as to whether DBAY should enter into any particular transaction or render advice to a customer in any particular circumstances, staff should refer the matter immediately to the Compliance Officer for a decision.

Policy for DBAY's Principal Trading

DBAY will not deal as principal where it may in anyway prejudice the interests of the client. The duty to the clients' and investors' trust are fundamental to investor confidence and the integrity of the market. DBAY must conduct itself so that the interest of the client at all times is not brought into conflict with the firm's personal interest.

For example, DBAY may not undertake a deal which could have been made for his client within the scope of the client's instructions. DBAY may not, in connection with his client's business, make a secret profit for himself. Should DBAY, or any of its officers, employees or agents undertake such activity this may constitute a civil or criminal offence and result in disciplinary and/or legal action against DBAY, its officers or its agents.

Staff should consult with the Compliance Officer if they consider any transaction for DBAY will or might conflict with a client's interest the Compliance Officers will make the decision on how to manage such a conflict.

DBAY may engage in other business activities and manage the accounts of numerous clients, including those of investment funds. The investment strategy may be the same as or may vary from that of other clients of DBAY. DBAY is not required to refrain from any other activity or disgorge any profits from any such activity including acting as investment adviser or managing agent for funds with objectives similar to those of other clients. DBAY will devote such time and effort to each client as it deems necessary and appropriate and sufficient.

DBAY may cause client accounts to invest in securities in which the directors of DBAY or its affiliates have a financial interest, or to engage in transactions with brokers, dealers or others with whom they have financial or other business relationships. In the event that any such conflict of interest arises, the directors of DBAY that are not in conflict will ensure that the conflict is resolved fairly.

c) Personal Dealing

In accordance with the SEC rules DBAY has in place personal dealing procedures in relation to those personnel who are deemed to be access persons being any individual who:

- Has access to non-public information regarding any fund purchases; or
- Sales of securities; or
- Is involved in making securities recommendations to the firm's funds, or has access to such recommendations that are non-public.

All the employees and directors of DBAY are deemed to be access persons and must adhere to the personal dealing procedures.

Employees and the directors of DBAY must not make use of information obtained during the course of their employment whether for personal gain or for another's benefit, when purchasing and / or selling stocks and shares or any subsidiary financial instruments and are aware that it may constitute a criminal offence to do so.

Investments that are held at the commencement of employment with DBAY may be sold provided the compliance officer ("the CO") or Director ("**Authorising Officer**") has given prior written approval for the trade. Furthermore, all new investments require the prior approval of an Authorising Officer which must be requested using an Employee Personal Dealing Authorisation Form. The Authorising Officer will consider whether that transaction will conflict with DBAY's duties to its clients under the regulatory system. A register of all personal account transactions will be maintained by the CO.

PA dealings may be made through any intermediary. Only when the Authorising Officer, has given permission may the relevant member of staff enter into such transaction. The Authorising Officer will provide, in writing, memo or e-mail, his permission or his decision to not allow the transaction to the staff member. Dealing permission is only valid on the day permission is granted. If the trade is not executed during this period a new request must be obtained. All securities must be held for 30 days.

After entering into a personal account transaction, the employee must provide the CO with full details about the transaction immediately after the transaction has been effected. The employee must also provide a copy of the deal confirmation (or contract note) shortly after execution. This may be sent directly to the CO by the firm effecting the trade. This should include:

- date, title of security (inc. ticker symbol or CUSIP no. where applicable)
- interest rate / maturity date (where applicable)
- number of shares and principal amount
- nature of the transaction (e.g. purchase or sale)
- price of the security
- name of broker, dealer or bank through which the trade was effected
- date of submission of the report. The transaction report must be submitted within 30 days of the quarter end which must include all transactions within that quarter.

It is of paramount importance that no-one shall deal ahead of, or adversely affect the position of the company's clients. Their interests must always take priority.

Dealings of a short term or speculative nature are discouraged.

Staff may deal in options, both traditional and traded, provided they have received permission to deal in such instruments and have signed the necessary risk disclosure statement. In no circumstances may options be written or money taken for uncovered positions.

Staff are reminded that where their duties involve advising clients and others on investment matters they should ensure that they do not receive any benefit which cannot be regarded as properly justifiable in all the circumstances.

Investments that are managed on a discretionary basis are exempt from this policy.

The CO will keep a record of all permissions given or refused, confirmations received and each notification made by staff. These records will be kept for a period of 10 years. The CO will also keep a record (for a 10 year period) of these PA dealing rules and of any amendment made.

9 Brokerage Practices

In the selection of brokers and the placing of orders for the purchase and sale of portfolio investments DBAY seeks to obtain the most favourable price and execution available, except to the extent it may be permitted to pay higher brokerage commission for brokerage and research services as described below. In using its best efforts to obtain the most favourable price and execution available, DBAY, bearing in mind the client's best interests at all times, considers all factors it deems relevant, including, by way of illustration price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker involved and the quality of service rendered by the broker in other transactions.

From time to time, the funds may execute over-the-counter trades on an agency basis rather than on a principal basis. In these situations, the broker used by the funds may acquire or dispose of a security through a market-maker (a practice known as "interpositioning"). The transaction may thus be subject to both a commission and a mark-up or markdown. DBAY believes that the use of a broker in such instances is consistent with its duty of obtaining best execution for the funds. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker may, in certain cases, have greater expertise or greater capability in connection with both accessing the market and executing a transaction.

10 Review of Accounts

Semi-annual interim reports containing unaudited financial statements of the Fund and the SPV and an operations summary of its portfolio companies and annual audited financial statements of the Fund and SPV are prepared and distributed to all underlying investors.

Written reports on the Net Asset Value of the Fund and the SPV which includes an update on operations of its portfolio companies are also distributed on a quarterly basis to underlying investors.

11 Client referrals and Other Compensation

Not Applicable

12 Custody

Not Applicable

13 Investment Discretion

DBAY accepts discretionary authority to manage accounts (the funds) on behalf of the investors. DBAY enters into an investment management or investment advisory agreement with each of the funds or general partners of the limited partnerships setting out the terms of its appointment to manage the funds, and also in accordance with each of the fund's investment objectives and

parameters as set out in the constitutional documents/offering documents/Private Placement Memorandum of the funds.

14 Voting Client Securities

DBAY ensures that client securities over which the Company has voting discretion are voted in the best interests of the client and resolves any material conflicts that may arise between the client's interests and the interest of DBAY. In general, if the client has granted DBAY discretion to vote securities held for its account, the portfolio manager will exercise that authority in a manner consistent with achieving the investment objectives that have been established for the clients' account (fund). Any material conflicts of interest that may arise will be disclosed to, and direction will be sought from, the client and, in the absence of direction DBAY will abstain from voting the client's securities.

15 Financial Information

DBAY is not required to include a balance sheet for its most recent fiscal year, and does not foresee any condition that is likely to impair its ability to meet contractual commitments to clients and has not been subject of a bankruptcy petition at any time since its incorporation.

16 Requirements for State-Registered Advisers

DBAY is not a State-registered adviser and so not applicable.