

Dynamic Beta investments LLC

Part 2A of Form ADV

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This brochure provides information about the qualifications and business practices of Dynamic Beta investments LLC (“DBi” or the “Company”). If you have any questions about the contents of this brochure, please contact us at 646-837-7030. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”), United States Commodity Futures Trading Commission (“CFTC”), National Futures Association (“NFA”), or by any state securities authority.

Additional information about DBi is available on the SEC’s website at www.adviserinfo.sec.gov and the NFA’s website at www.nfa.futures.org. You can search these sites by using unique identifying numbers, known as the Company’s CRD number and NFA ID number, respectively. The CRD number for DBi is 164972. The NFA ID number for DBi is 0443187. Additionally, DBi maintains company information on its website at www.Dynamicbeta.com.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.

Material Changes

This brochure has been prepared by DBi to provide new and prospective clients and investors with information about the Company's business practices and conflicts of interest. We encourage all recipients to read this brochure carefully in its entirety.

In particular, this section will only identify the material changes to our business since the last update to this brochure to make clients and investors aware of information that has changed and that may be important to them.

In July 2018, iM Square Holding 4 LLC, a wholly-owned subsidiary of iM Square SAS, a French company in which Legendre Holding 36 is the principal owner, acquired a minority interest in the Company. The principal owner of Legendre Holding 36 is Eurazeo SA.

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Advisory Business

DBi is engaged in the business of offering investment trading advice to private funds and other separately managed accounts. The Company was founded in 2012. DBi is owned by Beachhead Capital Holdings LLC, Sasco Holdings, LLC (“Sasco”) and iM Square Holding 4 LLC. Beachhead Capital Holdings LLC is owned by Andrew Beer and Mathias Mamou-Mani. Sasco is owned by Eleanor Beer. iM Square Holding 4 LLC is a wholly-owned subsidiary of iM Square SAS, a French company in which Legendre Holding 36 is the principal owner. The principal owner of Legendre Holding 36 is Eurazeo SA.

DBi currently offers two investment strategies, in each case through either separately managed accounts or pooled investment vehicles.

Dynamic Beta. DBi offers a hedge fund replication strategy that seeks to generate returns similar to a diversified portfolio of investments in hedge funds, but with enhanced liquidity and at lower cost, by investing in a dynamically-managed portfolio of liquid financial instruments, including securities, futures contracts, options on futures contracts, currencies, forward currency contracts, exchange-traded funds, and other commodity-related contracts and securities instruments traded on United States, foreign, and international exchanges and in the interbank market (collectively, “commodity interests”). DBi currently provides investment advice using this strategy as sub-advisor to an SEC registered ‘40 Act’ fund and to a UCITS fund, each referred to individually as a “Sub-Advised Fund” and collectively as the “Sub-Advised Funds”.

Funds-of-Funds. The Company also provides a more traditional “fund-of-funds” investment management services to three private insurance dedicated funds that invest in other collective investment vehicles and/or separate managed accounts managed by unaffiliated third parties. The private funds managed by the Company using this strategy are Beachhead Emerging Opportunities, LLC, Beachhead Credit Opportunities LLC and Beachhead Special Opportunities LLC, each referred to individually as a “Fund” and collectively as the “Funds”. DBi provides investment advice to the Funds on a discretionary basis and in accordance with the objectives and investment policies described in each Fund's respective offering and/or governing documents.

The Funds are Delaware limited liability companies organized for investment by persons that are “Qualified Insurance Company Investors” within the meaning of Section 816(a) of the U.S. Internal Revenue Code of 1986, as amended, and Section 2(a)(13) of the Securities Act of 1933, as amended (the “Securities Act”).

The Company seeks to provide investment advice to highly sophisticated investors on hedge fund manager selection, portfolio construction, and risk management. DBi combines qualitative analysis with quantitative analytics in order to determine the optimal balance of direct hedge fund investments and complementary portfolio management tools. DBi's expertise includes in-depth research on hedge fund managers, the construction and management of high alpha portfolios of hedge funds, and the creation and management of customized liquidity vehicles to enhance portfolio efficiency and flexibility.

The Company is registered with the CFTC as a commodity trading advisor (“CTA”) and a commodity pool operator (“CPO”), and is a Member of the NFA.

As of December 31, 2017, DBi’s regulatory assets under management were approximately \$663,000,000 on a discretionary basis.

Fees and Compensation

DBi receives management fees from the Funds, the Sub-Advised Funds, and separately managed accounts. Fees are based upon the percentage of assets under management. The compensation method is explained and agreed with the Funds, the Sub-Advised Funds, and the investors in advance before any services are rendered. DBi typically charges an annualized management fee ranging up to 1.25%. The fees charged to the investors in the Funds and in the managed accounts are calculated monthly or quarterly in advance or arrears, depending on the Fund or the managed account, and are based on the net or gross assets as of the last day of each month, before accounting for additions, withdrawals, or payment of any fees. This management fee structure is used both for separately managed accounts and the Funds. The Funds do not charge a performance-based fee; however, fees may be negotiated with clients and investors on a case-by-case basis. The underlying managers of the Funds may charge a performance-based fee.

Net profit and loss will include unrealized gains and losses and will depend on the value of the underlying hedge funds, the commodity interests traded by the Company, or the value of the underlying investments. The valuation of assets of the pooled investment vehicles will be determined by the administrators of the Funds. DBi will value separately managed accounts in accordance with generally accepted accounting principles and in a manner consistent with applicable laws, regulations, and interpretations of industry best practices.

Unless DBi has permission from a managed account client to debit automatically the client’s custodial, banking or brokerage account(s), as the case may be, the Company will invoice each client for services rendered. A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice in accordance with the terms of the parties’ management agreement. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Such fees are typically paid quarterly.

All fees paid to DBi are separate and distinct from the fees and expenses charged to underlying funds, or charged by futures commission merchants and introducing brokers, including margin costs, options premiums, brokerage commissions, other transaction costs, NFA fees, and applicable exchange fees.

Detailed information regarding the fees charged to the Funds is provided in the Funds’ Confidential Offering Memorandums and other governing documents. In addition to management fees, limited partners will bear indirectly the fees and expenses charged to the Funds. Those fees and expenses will vary, but can include fees associated with making or selling portfolio investments, legal and accounting fees, taxes, commissions and brokerage fees, registration expenses, fees to government regulatory agencies, the cost of directors’ and officers’ liability insurance, and other expenses such as litigation or broken deal expenses. Investors should review

all fees and expenses charged by the Company, its affiliates, and others to fully understand the total amount of fees and expenses to be paid by the Funds and, indirectly, their limited partners. For separately managed accounts, in addition to management fees, clients will directly bear various costs as listed above.

Performance Based Fees and Side-by-Side Management

Performance-based fees may be charged on client accounts. Such fees can range up to 20% and are based on a share of capital gains on or capital appreciation of the assets of a client. All fees may be negotiated with clients and investors on a case-by-case basis. An adviser charging performance fees to some accounts faces a variety of conflicts because the adviser can potentially receive greater fees from its accounts having a performance-based compensation structure than from those accounts it charges a fee unrelated to performance (e.g., an asset-based fee). As a result, the adviser may have an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the account that pays a performance fee. Currently, DBi does not charge performance fees to investors in its Funds, although underlying managers in the Funds may charge performance fees.

Types of Clients

DBi primarily provides investment management services to the Funds, the Sub-Advised Funds, and to high-net-worth individuals and associated trusts, estates, pension and profit sharing plans, and other legal entities.

Interests in the Funds, which are collective investment vehicles sponsored by the Company, are not registered under the Securities Act, and the Funds are not registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements either in private transactions within the United States or in offshore transactions. Typically, these investors are high net worth individuals, institutions and other entities. Additionally, DBi only provides investment advisory services to individuals that are deemed to be "accredited investors" and "qualified purchasers" as defined by the SEC and "qualified eligible persons" as defined by the CFTC.

Details concerning applicable suitability criteria are set forth in the respective Funds' offering and/or governing documents. The Funds generally have a minimum initial investment requirement and a minimum additional investment requirement. These thresholds may be waived in the sole discretion of the manager, general partner, or Board of Directors of the applicable Fund.

Methods of Analysis, Investment Strategies, and Risk of Loss

Dynamic Beta Strategy. DBi's Dynamic Beta strategy seeks to generate returns similar to a diversified hedge fund portfolio via a dynamically-managed portfolio of liquid financial instruments. This strategy invests in securities, futures contracts, options on futures contracts and physical commodities, currencies, forward currency contracts, exchange-traded funds, and other commodity-related contracts and securities instruments traded on United States, foreign, and

international exchanges and in the interbank market. DBi uses statistical analysis methods to rebalance the portfolio at least monthly. The factors and instruments utilized by DBi may change over time in the discretion of the Company as investments and hedge fund industry behavior evolves.

DBi employs a portfolio management process that relies on an index or portfolio tracking methodology. Through index selection and analysis, DBi identifies a broad-based hedge fund index with robust data, a long history, and strong performance. Then, risk factors are analyzed and screened to identify instruments that are liquid, efficient to trade, and provide for little counterparty risk. Finally, DBi uses quantitative models to build a portfolio that seeks to deliver the returns of the index going forward. Trading decisions are based on quantitative analyses of technical data such as the price of commodity interests, that price relative to historic pricing of the commodity interests, that price relative to prices of comparable commodity interests, volume of trading, and other factors. DBi analyzes this and technical data in an effort to deliver returns similar to a hedge fund index, sub-index, or portfolio.

In evaluating trading decisions, the Company uses a trading system employing a mathematical analysis of certain technical data regarding past market performance. Opportunities presented by this strategy may involve frequent trading, which may generate higher brokerage and tax expenses than other investment strategies.

DBi may enter into forward currency contracts for clients and investors, which are agreements to exchange a currency on a specific future date at a predetermined rate. The Company may use these contracts to manage its exposure to changes in exchange rates, however, adverse movements in exchange rates may result in losses. In addition, the inability of a counterparty to such a contract to complete its obligations under such contract may result in losses.

DBi may invest for clients and investors in options and derivative instruments, including buying and writing puts and calls on securities, commodities, currencies, and other assets. The prices of many derivatives are highly volatile. Price movements of options contracts and swap payments are influenced by, among other things, interest rates, demand for such products, trade and exchange control programs and other government policies, and national and international political and economic events. The value of options and swap agreements depends upon the price of the underlying securities, commodities, currencies, or other assets. Clients are also subject to the risk of the failure of any of the exchanges on which the Company trades or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of volatility of the underlying securities, commodities, currencies, or other assets. Accordingly, options on highly volatile securities, commodities, currencies, or other assets may be more expensive than options on other securities, commodities, currencies, or other assets. Swaps and certain options and other custom instruments are subject to the risk of nonperformance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

A principal risk in commodity trading is the traditional volatility (rapid fluctuation) in the market prices of commodities. Because of the low margin deposits typically required in commodity contract trading, a relatively small movement in the market price of a commodity contract may result in a disproportionately large profit or loss.

DBi has developed a managed account program pursuant to which it directs speculative purchases and sales of securities and commodity interests for the accounts of participating clients in accordance with its trading methods and strategies. Because speculative trading presents the risk of substantial losses, only persons with the ability to absorb such losses should consider participating in a managed account program or a privately offered pooled investment vehicle using this strategy.

Fund-of-Funds Strategy. As discussed above, DBi provides investment management services to the Funds using a “fund-of-funds” strategy. Each Fund seeks to achieve long-term capital appreciation by investing in a concentrated portfolio of collective investment vehicles or separate managed accounts (each a “Portfolio Fund”) managed by selected managers. The Funds can also invest in separate managed accounts.

DBi researches and identifies portfolio managers using both qualitative and quantitative factors, which are integrated to provide a holistic assessment of a particular portfolio manager’s ability to generate returns going forward. The quantitative framework is designed to assist the senior management team of the Company in the evaluation of portfolio managers. DBi directs investments to underlying funds and managed accounts managed by portfolio managers that may pursue a variety of different strategies and techniques.

An investment in a Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The Funds allocate assets to portfolio managers and invest in portfolio investments that invest in and actively trade securities, exchange-traded and OTC derivatives, bank loans, physical commodities, and other securities, derivatives, and commodities using a variety of strategies and investment techniques with significant risk characteristics, including, but not limited to, the risks arising from the volatility of the equity, fixed-income, commodity and currency markets, the risks of borrowings and short sales, the risks arising from leverage associated with trading in the equities, currencies, futures and OTC physicals and derivatives markets, the illiquidity of investments in physicals and derivative instruments, and the risk of loss from counterparty defaults, and in securities for which there is no ready market (generally, those securities for which market quotations are not available from at least two independent market makers). No guarantee or representation is made that a Fund's investment program will be successful. Leverage inherent in the types of underlying investments made by, and otherwise utilized by, the portfolio investments can, in certain circumstances, substantially increase the adverse impact to which the Funds' investment portfolios may be subject.

Because the investment strategies of the Funds involve significant risk factors, the Funds are suitable only for experienced and sophisticated investors who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment.

Although DBi seeks to select only portfolio managers who will invest the Funds’ assets with the highest level of skill and integrity, DBi’s investment selection process cannot ensure that selected portfolio managers will perform as desired, and DBi does not have any direct control over the day-to-day operations of any of its selected portfolio managers. DBi may not necessarily be aware of certain activities at the underlying portfolio manager level, including without limitation a portfolio manager’s engaging in unreported risks, investment “style drift,” regulatory breaches, or fraud. As a result, there can be no assurance that portfolio managers selected by DBi will conform

their conduct to the desired standards. There is a risk that underlying portfolio managers may suffer a complete failure as a result of poor performance, failure to raise assets, regulatory violations and enforcement actions, fraud or other factors, which in any case could result in a complete loss of a Fund's investment with such portfolio manager. Investments with underlying portfolio managers carry additional risks including, but not limited to, lack of liquidity, ultimate lack of diversification, lack of transparency, reliance on portfolio managers for performance and valuation information, and dependence on key personnel risk. Institutions, such as FCMs, OTC counterparties, and banks, generally have custody of the Funds' assets. In addition, the portfolio managers may invest the Funds' assets in swaps, derivative or synthetic instruments, or other over-the-counter transactions where such institutions are the counterparties. If one of these institutions is unable to fulfill its contractual obligations or there is bankruptcy or fraud at one of these institutions, it could impair the operational capabilities or the capital position of the Funds and increase the risk of settlement default.

Investors should consider an investment in a Fund as involving a high degree of financial risk and should therefore carefully consider all risk factors set forth in the relevant Fund's offering and/or operational documents. Each prospective investor should carefully review offering and/or operational documents, as applicable, before deciding to make an investment in a Fund.

The Company, the clients and their service providers are susceptible to cybersecurity risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that Company, the clients and their service providers use to service the clients' operations; or operational disruption or failures in the physical infrastructure or operating systems that support Company, the clients and their service providers. Cyber-attacks against or security breakdowns of Company, the clients or their service providers may adversely impact the clients and their investors, potentially resulting in, among other things, (i) financial losses; (ii) the inability of the Company, the clients to transact business; (iii) the clients to process transactions; (iv) violations of applicable privacy and other laws; and (v) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs and/or additional compliance costs. The Company, the clients may incur additional costs for cyber security risk management and remediation purposes. In addition, cybersecurity risks may also impact issuers of securities in which the clients invest, which may cause a client's investment in such issuers to lose value. There can be no assurance that the Company, the clients or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

Disciplinary Information

DBi and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Beachhead Capital Partners LLC, which is owned by Christine Woodhouse, an employee of DBi, is the Manager of the Funds, which are organized as Delaware limited liability companies. DBi

acts as the manager or investment trading advisor to the Funds. Owners or officers of DBi may also hold interests in the Funds. Investors receive disclosure of DBi's involvement in any investment partnership or company in the investment products Offering Memoranda or other governing documents prior to any investment.

Sasco is a minority owner of DBi and is a private investment company that invests, through capital contributions and/or loans, in asset management companies. Personnel at DBi perform certain managerial, administrative, and finance and accounting duties for Sasco. Andrew Beer, a Senior Advisor to Sasco, is the Managing Partner of DBi. Barney Tagliatela, Manager of Sasco, is Chief Financial Officer and Head of Compliance of DBi.

DBi participates on certain platforms whereby it makes available certain of its quantitative data. Platform subscribers, generally other market participants, may choose to allocate all or a portion of its account assets on the data provided by the Firm, which is hosted by a third party.

DBi has not identified any material conflicts of interest as a result of these relationships or arrangements.

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

DBi's affiliated persons may purchase or sell the same or similar investments as those purchased or sold for advisory clients. It is the expressed policy of the Company, however, that no person employed by DBi may purchase or sell any security prior to a transaction(s) being implemented for an advisory account or the Fund, thus preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, DBi has established the following restrictions in order to ensure its fiduciary responsibilities. No affiliated person shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person in the Company shall prefer his or her own interest to that of the advisory clients or investors. DBi also maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate person of DBi.

The Company normally trades its client accounts in parallel, making equivalent trades for all accounts and apportioning the number of each contract proportionately among the accounts based on the capital in each account. When DBi or its principals trade their proprietary accounts, they usually trade in parallel with customer accounts; however, DBi or its principals may elect not to trade their proprietary accounts at all or to trade their proprietary accounts only on occasion. In trading their proprietary accounts, and in contrast to their client account trading, DBi and its principals may trade a larger number of contracts, utilize a higher degree of leverage, pay lower commission rates, and test new markets. In addition, DBi and its principals may conduct experimental trading in proprietary accounts to test new strategies or variations of current strategies.

DBi and its principals may also trade a market for proprietary accounts, even where they deem the market too illiquid or risky for client accounts. Accordingly, DBi and its principals may take positions opposite to or ahead of those taken on behalf of client accounts. Therefore, DBi's and its principals' proprietary accounts may produce trading results that are materially different from those experienced by client accounts. The records of DBi's and its principals' proprietary trading will not be available for inspection by participating clients due to the confidential nature of such records.

In trading proprietary accounts, DBi or its principals will receive either an average share price along with its clients, or will be traded after client accounts. All aggregate trading will be memorialized in a proposed trade allocation prior to the transaction. Any deviations from a proposed allocation shall be recorded and the reason for the variation documented.

DBi has formalized its policy with respect to personal securities transactions in a Code of Ethics ("Code" or "the Code"), which clients may request for review. The Code expresses the Company's commitment to ethical conduct and personal securities trading practices. It includes the Company's policy prohibiting the use of material non-public information. While DBi does not believe that it has any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. DBi is not affiliated with a publicly traded security.

To supervise compliance with the Code, DBi requires that anyone associated with this advisory practice with access to advisory recommendations must provide initial and annual securities holdings reports and quarterly securities transaction reports to the firm's Chief Compliance Officer. Pursuant to Rule 204A-1 of the Advisers Act, certain transactions are exempt from reporting. Employees must have written clearance for all personal securities transactions involving IPOs, Private Placements, or commodity interests that DBi trades on behalf of clients before completing the transactions. DBi may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper.

DBi requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to termination.

A copy of DBi's Code is available upon request free of charge by calling 646-837-7030 or by writing to DBi at the address listed on Page 1.

Brokerage Practices

DBi does not have any soft dollar arrangements for Beachhead Emerging Opportunities LLC, Beachhead Credit Opportunities LLC, or Beachhead Special Opportunities LLC.

As part of its manager due diligence process, DBi reviews the brokerage practices and soft dollar arrangements of the underlying fund managers (the "Sub-adviser"), but the Company does not typically choose the broker or dealer through which each transaction is affected. The selection is generally made by the portfolio manager of each underlying fund. The Sub-adviser is responsible

for arranging for the execution of all orders for the purchase and sale of securities and other investments with respect to the applicable underlying fund. The Sub-adviser is required to seek best execution and to the extent permitted by applicable laws and regulations, may aggregate the investments to be purchased or sold on behalf of its clients to attempt to obtain a more favorable price, lower brokerage commissions, or efficient execution. If a Sub-adviser generates “soft dollars” with respect to its investment transactions, then the Sub-adviser must comply with the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, with respect to such trades.

When purchasing or selling the same commodity interests (including securities) for more than one client, the Company will generally aggregate an order to ensure clients receive the same price. By aggregating orders it ensures that no particular client is favored over other clients. Specifically, each client that participates in an aggregated order will participate at the average contract or share price for all transactions in the commodity interests on that business day. Commodity interests are allocated in proportion to the size of the order placed for each account. In the event an order is partially filled, DBi will allocate commodity interests pro rata based on the original order. However, the Company may increase or decrease the amount of commodity interests allocated if it would be impractical to allocate a small number of commodity interests among the accounts participating in the transaction. Employees of the Company may participate in any trading done on an aggregate basis.

DBi will evaluate trading errors on a case-by-case basis. If the Company determines that it was the cause of a trading error, it will generally compensate the client for any losses resulting from such trading error. Where a third party causes a trading error that results in a material loss to a client, the Company will attempt to recover the amount of the loss from the third party for the client, but it does not assume responsibility for compensating the client, or making the third party compensate the client, in such cases.

For separately managed accounts, DBi does not exercise the discretionary authority to select prime or clearing brokers for client accounts. While DBi will not accept a client account held by a prime or clearing broker with services and fees deemed unacceptable by DBi, clients should be aware that their direction of a particular broker may result in higher fees and costs than could be achieved elsewhere.

DBi will, however, typically request approval from clients to arrange transactions through certain introducing parties. DBi will negotiate commissions and fees for such transactions on behalf of clients. Clients are responsible for all trading costs, including mark-ups and mark-downs by counter-parties. When exercising this limited discretion, DBi will use its best efforts to obtain best execution and brokerage services at competitive rates, taking into consideration the reliability and quality of the execution and research services of the broker and its financial responsibility. DBi will not arrange for a client transaction through any introducing party not approved by the client.

Clients may also designate a banking institution as their account custodian. Clients designating a bank as account custodian should understand that DBi may not have the authority to trade client accounts through any third parties outside of the banking institution and the client may not necessarily obtain commission rates and execution as favorable as those that would be obtained if DBi was able to place transactions with other broker-dealers. By directing the use of a banking

institution, clients are relying solely on the banking institution's transactional capabilities. DBi will be prevented from negotiating transaction costs (including commissions), and such accounts will be precluded from participation in DBi's trade allocation methods.

When investing in a Fund, which in turn invests in the Portfolio Funds, an investor, in effect, incurs the costs of two forms of investment advisory services: The Management Fee paid to the Manager for selecting portfolio managers, and the performance and other fees paid to the portfolio managers. In addition, the investor bears a proportionate share of the fees and expenses of the Fund (including operating costs, distribution expenses and administrative fees) and, indirectly, similar expenses of the Portfolio Funds. An investor who met the conditions imposed by the underlying portfolio managers could invest directly with the portfolio managers, although access to some portfolio managers may be limited or unavailable

Review of Accounts

DBi's Investment Committee regularly reviews all client accounts, including the Funds. Clients and investors in the Funds receive monthly statements detailing net asset value, account performance, and summary investment activity. For the Funds, the fund administrator calculates the NAV at month end, and may do so more frequently in the event of contributions or withdrawals. DBi reviews the calculation of the administrator's net asset value. For other client accounts, asset pricing is provided by the client's custodian and/or administrator. The CFO of DBi, on a monthly basis, calculates the account value, prepares the investor statements, and sends the investor statements to the clients.

Client Referrals and Other Compensation

DBi may compensate third parties who refer investors to the Company in compliance with Rule 206(4)-3 under the Advisers Act with respect to the use of solicitors. The Company will pay such third party solicitors a placement fee that is based upon the assets the investor places under management. Investors introduced by a third party solicitor will be subject to the same fee schedule as other investors and will bear no additional costs as result of the relationship between DBi and such third party solicitor. The Company may receive referrals from time to time by parties through which investor transactions are arranged. While DBi may pay a cash referral fee in such situations, it will not direct any client or brokerage to pay for such referrals.

DBi understands that these transactions may give the appearance of a conflict of interest. DBi will review all such potential conflicts of interest to ensure that such investments are in the best interest of its clients. The Company noted no such conflicts at this time.

DBi does not receive any economic benefits from non-clients in connection with the provision of investment advice to the Funds or to the clients.

Custody

All client assets are held in custody by unaffiliated broker/dealers or banks; however, DBi may be deemed to have access to the accounts of the Funds since a related person serves as the manager

and/or general partner of the Funds. Investors in the Funds will not receive statements from the custodians. Instead, the Funds are subject to annual audits and the audited financial statements are distributed to each investor within 180 days of the Fund's fiscal year end.

For separately managed accounts, account custodians make statements available for the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by the Company.

Investment Discretion

DBi requests investment discretion from clients and investors in writing. Clients should provide any reasonable restrictions of investment instructions to DBi in writing. DBi invests various client accounts and the Funds among similar and divergent strategies, and allocates investment opportunities in accordance with the respective governing documents.

For separately managed accounts, DBi does not exercise the discretionary authority to select prime or clearing brokers for client accounts.

Voting Client Securities

Due to the nature of its investment activities, DBi will seldom be called upon to vote client proxies. Where applicable, the Company will vote any proxies in accordance with its fiduciary duty to its clients. DBi will generally seek to vote proxies in a way that maximizes the value of each client's assets. The Company will document and abide by any specific proxy voting instructions conveyed by a client with respect to that client's securities. The Chief Compliance Officer coordinates DBi's proxy voting process. Clients may obtain a copy of DBi's proxy voting policies or a record of its proxy votes, if applicable, free of charge by calling 646-837-7030 or by writing to DBi at the address listed on Page 1.

Financial Information

DBi has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts, including the Funds.