

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

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**Dakota Pacific Global Macro Advisers LP**

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**March 28, 2019**

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**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF DAKOTA PACIFIC GLOBAL MACRO ADVISERS LP. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (801) 961-1139. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES AUTHORITY.**

**ADDITIONAL INFORMATION ABOUT DAKOTA PACIFIC GLOBAL MACRO ADVISERS LP ALSO IS AVAILABLE ON THE SEC'S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

**REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.**

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## MATERIAL CHANGES

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Dakota Pacific Global Macro Advisers LP (“Dakota Pacific” or the “Investment Adviser”) previously filed a brochure with the Investment Adviser Registration Depository of the U.S. Securities and Exchange Commission (“SEC”) dated October 2, 2017. The following material information has been added since the previous filing to provide further detail to the Firm Brochure:

**Advisory Business:** Pacific II is being managed on a non-discretionary basis.

**Fees and Compensation:** Management fees are paid to Dakota Pacific on a quarterly basis in arrears. In addition, Dakota Pacific nor its supervised persons accept any compensation for the sale of securities or other investment products.

**Types of Clients:** An investment in Dakota Pacific Global is subject to a minimum investment requirement of \$500,000. It is at the discretion of Dakota Pacific to waive such minimum amounts.

**Other Financial Industry Activities and Affiliations:** Dakota Pacific RE Management LLC is an affiliate of Dakota Pacific by partial common ownership and is an investment manager of a collective investment vehicle.

**Brokerage Practices-Directed Brokerage Arrangements:** Dakota Pacific does not engage in directed brokerage arrangements.

**Financial Information:** Dakota Pacific does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

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## ADVISORY BUSINESS

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Dakota Pacific Global Macro Advisers LP (“Dakota Pacific” or the “Investment Adviser”) is a Delaware limited partnership founded on January 27, 2017. Its general partner is Dakota Pacific Global Macro GP LLC and its principal owners are Matthew Lambert and John R. Miller.

Dakota Pacific offers investment advisory services to two collective investment vehicles (“Dakota Pacific II” and “Dakota Pacific Global”) sponsored by Dakota Pacific and its affiliates (each of Dakota Pacific II and Dakota Pacific Global are referred to as a “Fund Client” and collectively are referred to as the “Dakota Pacific Funds”). Dakota Pacific advises Dakota Pacific Global on a discretionary basis and Dakota Pacific II on a non-discretionary basis, consistent with their respective investment strategies, objectives, risks and/or parameters set forth in their respective governing documents and confidential private placement memoranda (collectively “Memorandum”). In addition, Dakota Pacific may provide advice to one or more “co-investors” who may invest in transactions alongside Dakota Pacific II from time to time. Dakota Pacific is an alternative investment firm that seeks to maximize compounded absolute returns with low correlation to the overall markets while seeking to minimize large drawdowns. The Investment Adviser employs a fundamental, discretionary, global macro strategy. The Investment Adviser invests in global financial markets in both developed and emerging markets. The Investment Adviser seeks to achieve attractive absolute risk-adjusted returns by making investments, both long and short, in currencies, interest rates, credit (primarily in sovereign debt or corporate credit indices), equities, and commodities. In all asset classes, the Investment Adviser generally employs both cash instruments as well as related derivatives.

In addition to advising the Dakota Pacific Funds, Dakota Pacific also offers additional non-discretionary advisory services to certain clients through separately managed accounts (the “Managed Accounts” and together with the Dakota Pacific Funds, “Clients”). Dakota Pacific customizes the nature and scope of such non-discretionary advisory services based on a particular Client’s investment and financial issues, risks and goals, and these services may include consulting on portfolio construction, investment opportunities, hedging of existing assets and/or such other advisory services as Dakota Pacific and such Client may agree.

The Investment Adviser generally does not tailor its advisory services to the individual needs of Clients and Clients generally may not impose restrictions on the types of securities that the Investment Adviser may invest in. However, the Investment Adviser has discretion to agree to specific investment restrictions or guidelines as to the types or amounts of particular financial instruments traded for a Client. Requested guidelines may include restrictions on investing in certain securities, types of securities or general industry sectors.

The Investment Adviser does not participate in a wrap fee program.

As of December 31, 2018, Dakota Pacific manages \$30,598,484 in client assets on a discretionary basis and \$94,889,058 in client assets on a non-discretionary basis.

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## FEES AND COMPENSATION

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Dakota Pacific generally receives both asset-based “management fees” and performance-based fees or allocations from its Clients.

**Fund Client Management Fees.** With respect to its management of the Dakota Pacific Funds, while Dakota Pacific does not have a standardized fee schedule for its investment advisory services and the annual rate of the management fee may vary among Fund Clients and investors based on classes, length of investment and amount of investment, it is generally charged at a rate of between .5% and 1.5% per annum of the net asset value, committed capital or invested capital of each such investor, as more fully described in the applicable Memorandum. Dakota Pacific may, in its discretion, waive or reduce the management fee with respect to any investor in any Fund Client, including its affiliates or employees. The management fee is generally adjusted on a pro rata basis to account for any contributions, withdrawals and/or transfers made by investors in the Dakota Pacific Funds during a calendar month or quarter, as applicable. Such fees generally are paid quarterly in advance by the deduction of such fees from the Dakota Pacific Fund’s assets or charged against each investor’s capital account as described in the applicable Memorandum. In addition to these asset-based fees, the Fund Clients generally pay performance-based compensation to Dakota Pacific and/or its affiliates, as described in the next section.

**Transaction Fees and Compensation.** In connection with the investments made by Dakota Pacific II, various transaction fees are paid to Dakota Pacific or one or more of its affiliates by portfolio companies or other third parties. Such fees include consulting or monitoring fees, investment banking fees, breakup fees, directors’ fees, closing fees, transaction fees and similar fees. The receipt of fees and other compensation by Dakota Pacific and its affiliates in connection with investments made by Dakota Pacific II creates a potential conflict of interest, as it could be seen as providing an incentive for Dakota Pacific to cause Dakota Pacific II to make investments it would not otherwise make, or for structuring investments for the purpose of helping Dakota Pacific and/or its affiliates obtain fee compensation. To mitigate this potential conflict of interest, Dakota Pacific and its affiliates will (with certain limitations) offset such fees or other compensation against management fees payable by Dakota Pacific II to Dakota Pacific, as further described in Dakota Pacific II’s Memorandum.

**Managed Account.** The types and amounts of fees payable in respect of each Managed Account are set forth in an investment advisory agreement between Dakota Pacific and the applicable Client and are negotiated based on a variety of factors, including, but not limited to, the size, composition and complexity of the Managed Account, length and nature of Dakota Pacific’s relationship with the Client, special services agreed upon with the Client or other factors deemed relevant by Dakota Pacific. Fees payable in respect of each Managed Account are billed to the Client for fees incurred, paid quarterly in arrears, and may be reduced or waived at the discretion of Dakota Pacific.

**Other Fees and Expenses.** Dakota Pacific’s fees do not include transaction fees, brokerage commissions, custody fees and other related costs and expenses that will be incurred by Clients with respect to transactions on their behalf.

Investors in the Dakota Pacific Funds also bear additional charges and expenses in connection with such investments. The Dakota Pacific Funds incur legal and organizational expenses in connection with their formation and initial offering, which generally will be borne by the relevant Fund Client (and, therefore, indirectly by its investors); provided that such expenses shall be limited as described in the applicable

Memorandum. In addition, the Dakota Pacific Funds also bear ongoing expenses, which may include, without limitation, legal, bookkeeping, accounting, auditing, recordkeeping, administration, computer and clerical expenses (including expenses incurred in preparing reports and tax information and regulatory authorities (e.g., Form ADV and Form PF filings) and expenses for specialized administrative services); printing and duplication expenses; investment related travel expenses, investment research expenses, monitoring expenses, market data, newswire and data processing expenses; software and connectivity charges; bank charges and borrowing costs; exchange, board of trade or other trading or execution facility membership or participation expenses; investment banking fees, offering expenses; filing fees; directors' and officers' liability insurance; investment and operating expenses; and other expenses necessary to operate the Dakota Pacific Funds. Additional details regarding the fees and expenses borne by investors in the Dakota Pacific Fund are set forth in the applicable Memorandum.

Managed Accounts may also incur other expenses relating to Dakota Pacific's advisory services in accordance with the terms of their advisory agreements.

Generally, Client expenses will be billed directly to the applicable Client, however, if more than one Client incurs a shared expense, Dakota Pacific will allocate such shared expense among the applicable Clients (i) in proportion to the net asset value of each applicable Client; (ii) in proportion to the size of the investment made by each Client to which the expense relates; (iii) in proportion to the amount of time spent or usage of the relevant services by each applicable Client; or (iv) in such other manner as Dakota Pacific considers fair and reasonable.

Neither Dakota Pacific nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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## PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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Dakota Pacific (and/or certain of its affiliates) generally also receives performance-based compensation from the Dakota Pacific Funds and does not currently but may in the future receive performance-based compensation from Managed Accounts.

**Fund Client Performance Allocation.** As compensation for management of Dakota Pacific Global, an affiliate of the Investment Adviser, Dakota Pacific Global Macro LLC (the "Manager") is entitled to receive performance-based allocation, from Dakota Pacific Global (e.g., a "performance allocation" or "carried interest"). The annual rate of this performance allocation may vary among investors based on classes, length of investment and amount of investment and is set forth in more detail in the applicable Memorandum, but is generally expected to be equal to a percentage between 15% and 20% of appreciation in net asset value (including both realized and unrealized profits on fund investments), in excess of a prior "high-water mark," after payment of the management fees and other fund expenses described above and recovery of losses experienced by such investment in prior measurement periods. This performance-based compensation is charged to the assets of Dakota Pacific Global, generally on an annual basis. The Manager may waive, reduce or otherwise vary this compensation with respect to any investor in Dakota Pacific Global, including affiliates and/or employees of Dakota Pacific or its affiliates.

As compensation for management of Dakota Pacific II, an affiliate of the Investment Adviser, Dakota Pacific II GP, LLC (the "General Partner") generally is entitled to receive "carried interest" from Dakota Pacific II upon distribution of the proceeds from Dakota Pacific II's realized investments, as described in

greater detail in Dakota Pacific II's Memorandum. Generally, the distributions due to the General Partner (if any) are determined after the investors in Dakota Pacific II have received distributions in an amount generally equal to a return of capital and allocable expenses attributable to all realized investments. With respect to any remaining amounts to be distributed after these amounts have been distributed to the investors in Dakota Pacific II, the General Partner is entitled to receive 10% of the excess, if any, and 90% will be distributed to the investors. The carried interest with respect to Dakota Pacific II is subject to a "clawback" upon termination of Dakota Pacific II to the extent amounts previously distributed to the General Partner exceed the aggregate amount due to the General Partner as described in Dakota Pacific II's Memorandum in more detail.

**Managed Accounts Performance Fee/Allocation.** With respect to its management of Managed Accounts, Dakota Pacific does not currently but may in the future charge a performance-based fee or allocation in addition to, or in lieu of, an asset-based management fee. The amount and payment terms associated with any such fee or allocation may be subject to negotiation between Dakota Pacific and the Client, as described above. See "*Fees and Compensation.*"

**Conflicts of Interest Related to Performance-Based Compensation.** Performance-based fee arrangements create an incentive for Dakota Pacific to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying Clients over other Clients in the allocation of investment opportunities. Managing Clients that are charged performance-based compensation and Clients that are not (or that pay performance-based compensation at lower rates than other Clients) gives rise to a potential conflict of interest, as Dakota Pacific would have an incentive to favor the Clients for which it receives performance-based compensation (or greater amounts of performance-based compensation) over Clients for which it receives only asset-based fee or other non-performance-based compensation (or lower amounts of performance-based compensation). Dakota Pacific has established allocation procedures so that all Clients are treated fairly and equally on an overall basis and to prevent this potential conflict from materially influencing the allocation of investment opportunities among Clients.

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## TYPES OF CLIENTS

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The Investment Adviser's services are designed for sophisticated investors that are knowledgeable and experienced in financial and business matters such that they can evaluate the merits and risks of an investment with the Investment Adviser. Dakota Pacific provides discretionary investment advisory services to Dakota Pacific Global and non-discretionary investment advisory services to Dakota Pacific II and Managed Accounts for high net worth individuals.

Dakota Pacific operates the Dakota Pacific Funds in reliance upon the exclusion from the definition of an "investment company" described in Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "1940 Act"). In order to qualify for this exclusion, investment in the Dakota Pacific Funds generally are limited to U.S. persons who are "accredited investors," as defined in Rule 501 of Regulation D under the Securities Act of 1933 and "qualified purchasers," as defined in Section 2(a)(51) of the 1940 Act. In general, the definition of "accredited investor" includes (a) individuals with either (i) \$200,000 in annual income, (ii) \$300,000 in joint annual income with his/her spouse, or (iii) \$1 million in net worth, excluding his/her primary residence and certain related indebtedness; and (b) entities (i) with \$5 million in assets, or (ii) which are wholly-owned by other accredited investors. In general, the definition of

“qualified purchaser” includes individuals with \$5,000,000 or more in “investments” (as defined by the SEC) and entities with \$25,000,000 or more in “investments,” as well as certain other specified categories of entities. Dakota Pacific generally does not require a minimum investment amount. However, investors in Dakota Pacific Global are subject to a minimum investment requirement of \$500,000. It is at the discretion of Dakota Pacific to waive such minimum amounts.

Dakota Pacific is under no obligation to provide co-investment opportunities and may offer a co-investment opportunity to one or more of the categories of co-investors described above without offering such opportunity to the other categories. Co-investments will generally be made, at the investment level, on economic terms substantially no more favorable to co-investors than those on which Dakota Pacific II invests and any such co-investment generally will be sold or otherwise disposed of at substantially the same time (and in the case of a partial disposition, in substantially the same proportion) as Dakota Pacific II’s disposition of its interest in such investment and on economic terms at the investment level substantially no more favorable to such co-investors than to Dakota Pacific II.

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

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### **General Philosophy.**

The Investment Adviser employs a top-down global macro analysis, including economic and political risk assessment to identify compelling risk/reward opportunities, as well as fundamental bottom-up research to select securities and structure trades. The foundation of the Investment Adviser’s investment process is an emphasis on due diligence and research involving local market participants, analysts, and business executives, among others, to understand a particular market’s economic and political dynamics and their impact on fiscal and monetary policy. The Investment Adviser believes these relationships, in combination with research and trade structuring, constitute the Investment Adviser’s competitive advantage.

On a case-by-case basis, the Investment Adviser seeks to identify the key economic and other geopolitical issues driving a security’s valuation. This often includes understanding the stage of the country’s business and economic cycle, the specific political climate, and then relating this analysis to global liquidity and capital flows of money into or out of an asset class. The Investment Adviser focuses on probable responses to these factors, concentrating on outcomes that may result in the current and forecasted price of related securities shifting significantly. This analysis is considered against a thorough exploration of trade implementation based on each idea’s risk/reward profile and overall portfolio fit.

Generally, the Investment Adviser’s investments can be grouped into 5 to 10 themes which are customarily traded opportunistically over a 3 to 24-month time period. In its fundamental analysis, the Investment Adviser will analyze underlying economic factors to identify mispricing of risk between prevailing market values and a range of fundamentally driven outcomes. More generally, the Investment Adviser seeks assets that are relatively under- or over-valued.

Important market indicators are monitored to verify various theses. These indicators provide direction for trade timing and can augur investor appetite or risk aversion. Such market analysis is performed across all asset classes. The Investment Adviser constantly examines global markets for potential threats to each trade.



The geographies and markets which the Investment Adviser analyzes are usually at different stages of their respective economic cycles and present a wide range of opportunities, with only a small proportion of them being considered for investment by the Investment Adviser. The Investment Adviser may significantly reduce market exposure from time to time when the Investment Adviser believes that relatively few compelling opportunities present themselves.

Occasionally the Investment Adviser will use technical factors (i.e., factors intrinsic to the market such as price trends or patterns) to identify pricing anomalies, however the Investment Adviser's strategy is primarily fundamental and does not heavily rely on technical factors.

The Investment Adviser primarily focuses on discretionary, global macro investing across both developed and emerging markets. The Investment Adviser has the flexibility to invest across markets, asset classes, timescales and geographies.

The Investment Adviser engages in a variety of investment strategies, each of which may take into account different economic factors, methods of analysis, and trading techniques in order to identify potential market opportunities. These strategies can generally be categorized as either fundamentally driven global macro investments or relative value strategies.

In addition to the general philosophy described above, the Investment Adviser may provide customized advisory services in respect of selected Clients, to the extent agreed upon between the Investment Adviser and such Client. This advice may entail use of the investment philosophies and strategies described above, or may involve other customized advisory services based on a particular Client's investment and financial situation, risks and goals, which may include consulting on portfolio construction, investment opportunities, hedging of existing assets and/or such other advisory services as the Investment Adviser and the Client may agree.

#### *Dakota Pacific Global*

With respect to Dakota Pacific Global, the Investment Adviser primarily focuses on, but is not limited to, its investments in foreign exchange, interest rates, sovereign credit, developed market corporate credit, equities, commodities, and their related derivatives. In practice, the Investment Adviser will generally avoid investing in single-name securities (other than sovereign credits) such as individual corporate bonds or company-specific stocks. While the Investment Adviser prizes fundamental research and individual insight, the Investment Adviser generally believes the idiosyncratic nature of individual company risk is inconsistent with managing a global macro strategy and distracts the Investment Adviser's attention away from more thematic trades which are often more liquid, offer more flexibility in terms of structuring, and are more efficient ways to express a view. However, from time to time the Investment Adviser will take a position in single name security (often a credit) if either (i) the Investment Adviser believes it has unique insight in such a security; or (ii) the security offers the best risk/reward profile to express a view on a particular industry or macro/policy mispricing. The Investment Adviser takes short positions where the Investment Adviser believes market pricing does not fully account for the risk facing a country or particular asset market.

Before implementing a trade, the Investment Adviser considers a variety of factors. These factors include, but are not limited to: position sizing, liquidity, transparency of pricing, availability of counterparties with whom it can trade a particular instrument, and convexity.

#### *Dakota Pacific II*

With respect to Dakota Pacific II, the Investment Adviser focuses on seeking capital appreciation by providing capital to, and making investments in, privately held companies, and to assist in developing the companies and business enterprises in which Dakota Pacific II has an interest.

#### *Managed Account*

With respect to the existing Managed Account, the Investment Adviser generally provides the services enumerated and as agreed between the parties in the applicable investment advisory agreement.

#### **Certain Risk Factors.**

The identification of attractive investment opportunities is difficult and involves a significant degree of uncertainty. Potential Clients should consider the following risks before engaging Dakota Pacific.

*Over-the-Counter and Other Derivative Instruments.* Various derivative instruments, including futures, options, forward contracts, swaps and other derivatives may be used, which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Additional risks exist because of, among other things, liquidity, counterparty risk, leverage and pricing issues.

*Counterparty Credit Risk.* To the extent a Client invests in over-the-counter transactions or enters into certain other transactions (e.g., repurchase agreements) it will take credit risk with regard to parties with whom it trades and will also bear the risk of settlement default.

*Forward Trading.* Forward contracts and options thereon, unlike exchange traded futures contracts and options on futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals that deal in the forward markets are not required to continue to make markets in the commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell.

*Commodities, Futures Trading and Currency Interest Trading.* A principal risk in trading futures and currency interests is the traditional volatility (rapid fluctuation) in the market prices of currencies. Because of the low margin deposits typically required in such trading, a relatively small movement in the market price of a currency interest could result in a disproportionately large profit or loss. Positions in such instruments may also be illiquid. If prices fluctuate during a single day’s trading beyond exchange limits, a Client could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

*Trading on Exchanges in Non-U.S. Jurisdictions.* The Clients may engage in trading on exchanges outside the United States. Trading on such exchanges is not regulated by any United States governmental agency and may involve certain risks not applicable to trading on United States exchanges. For example, some foreign exchanges are “principal markets” in which performance is the responsibility only of the individual member with whom the trader has entered a trade and not of an exchange or clearing organization. Moreover, such trading may be subject to whatever regulatory provisions are applicable to transactions effected outside the United States, whether on foreign exchanges or otherwise. Trading on foreign exchanges involves the additional risks of expropriation, burdensome or confiscatory taxation,

moratoriums and investment controls, or political or diplomatic events that might adversely affect the Clients' trading activities. The risks of investing in non-U.S. securities and other financial instruments may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets and higher brokerage commissions and custody fees. Furthermore, foreign trading is also subject to the risk of changes in the exchange rate between United States dollars and the currencies in which products traded on such exchanges are settled. Some foreign futures exchanges require margin for open positions to be converted to the "home currency" of the contract. Additionally, some brokerage firms have imposed this requirement for all foreign futures markets traded, whether it is required by a particular exchange. Whenever margin is held in a foreign currency, the applicable Client is exposed to potential gains or losses if exchange rates fluctuate.

*Investments in Emerging Markets.* The Investment Adviser may invest in financial instruments and other instruments of certain non-U.S. corporations and countries. Investing in the financial instruments of companies (and governments) in certain countries (such as emerging nations or countries with less well-regulated financial instruments markets than the U.S., the UK or other European Union countries) involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. government, including, among other things, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the financial instruments markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies that may restrict the Investment Adviser's investment opportunities; and, in most cases, less effective government regulation than is the case with financial instruments markets in the United States. In addition, accounting and financial reporting standards in such countries are not equivalent to standards in more developed countries, and, consequently, less information is available to investors.

*Currency and Exchange Rate Risks.* The Investment Adviser may invest in financial instruments denominated in currencies other than the U.S. Dollar or in financial instruments which are determined with references to currencies other than the U.S. Dollar. The Clients however, will generally value their assets in U.S. Dollars. To the extent unhedged, the value of the Clients' assets will fluctuate with U.S. Dollar exchange rates as well as with price changes of their investments in the various local markets and currencies. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the respective markets and the relative merits of investments in different countries, actual or perceived changes in interest rates, and other complex factors, as seen from an international perspective. Currency exchange rates can also be affected unpredictably through intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments. Thus, an increase in the value of the U.S. Dollar compared to the other currencies in which the Investment Adviser may make investments will reduce the effect of increases and magnify the U.S. Dollar equivalent of the effect of decreases in the prices of the Clients' financial instruments in their local markets. Conversely, a decrease in the value of the U.S. Dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Clients' non-U.S. Dollar financial instruments. Forward currency contracts and options may be utilized on behalf of the Investment Adviser to hedge against currency fluctuations, but the Investment Adviser is not required to hedge and there can be no assurance that such hedging transactions, if undertaken, will be effective.

*Global Economic Uncertainty.* Current uncertainty in global economic conditions could adversely affect the Clients' prospects. Current uncertainty in global economic conditions poses a risk to the overall

economy as consumers and businesses may defer purchases in response to tighter credit and negative financial news, which could negatively affect product demand and other related matters. The current volatility and disruption to the capital and credit markets have reached unprecedented levels and have adversely impacted global economic conditions, resulting in significant recessionary pressures and lower consumer confidence and lower retail sales in general. Consequently, demand could be different from the Investment Adviser's expectations due to factors including changes in business and economic conditions, including conditions in the credit market that could affect consumer confidence, customer acceptance of the Clients assets, and changes in the level of inventory at retailers, any of which could have a material adverse effect on the applicable Clients' results.

*Security Futures Contracts.* Security futures contracts include both futures contracts on single stocks and futures contracts on narrow-based securities indices. They are treated as both futures and securities and, therefore, may be subject to the joint jurisdiction of commodities and securities governmental agencies (to the extent applicable). Security futures contracts are subject to the same risks as other securities, as well as to the greater volatility and risks of futures trading. Since they are relatively new products, security futures contracts have relatively low liquidity and limited trading history.

*Credit Default Swaps.* The Investment Adviser may enter credit default swaps. In general, a credit default swap is a type of over-the-counter credit derivative between two counterparties whereby one counterparty (the "purchaser") is obligated to pay the other counterparty (the "seller") a periodic stream of payments ("premiums") over the term of the contract, in return for the seller's obligation to pay the purchaser upon the occurrence of a credit event (e.g., bankruptcy, failure to pay, obligation acceleration or restructuring) with respect to an underlying reference obligation or reference obligor. The Clients may stand on either side of a credit default swap (i.e., either as the purchaser or the seller). Credit default swaps are non-standardized, privately negotiated transactions and the payment by the seller to the purchaser is contingent upon the occurrence of a credit event as defined in the swap transaction documents, which definition may be more expansive or narrow than what would normally be viewed as a default by the reference obligor, whether under the reference obligation or otherwise. In addition to the risk of non-performance of the counterparty, there is an inherent risk in being able to predict the likelihood of a credit event under a credit default swap. Also, credit default swaps generally are traded over-the-counter and not on an organized market, which may make them illiquid and difficult to value. If a Client is the purchaser under the swap agreement and no credit event occurs, the Client will not recoup the premiums it paid to the seller. Likewise, if a Client is the seller under the swap agreement, it may be required to pay an amount upon the occurrence of a credit event that far exceeds the periodic premium payments received by such Client under the swap agreement. The relevant Client may rely on the use of credit default swap transactions to hedge its exposure to the debt of underlying issuers. The recent dislocation in the financial markets may make it more difficult for the relevant Client to enter these transactions and, therefore, may increase the costs to the Clients of entering credit default swaps (or prevent them from doing so entirely).

*Fixed-Income Investments.* The Investment Adviser is expected to invest in fixed-income financial instruments. The value of fixed-income financial instruments will change as the general levels of volatility and interest rates fluctuate, among other factors. When interest rates decline, the value of fixed-income financial instruments can be expected to rise. Conversely, when interest rates rise, the value of such financial instruments can be expected to decline. Investments in lower rated or unrated fixed-income financial instruments, while generally providing greater opportunity for gain and income than investments in higher rated financial instruments, usually entail greater risk (including the possibility of default or bankruptcy of the issuers of such financial instruments).

*General Real Estate Risks.* The Investment Adviser is expected to invest in real property and related assets on behalf of certain Clients. If any of these or similar events occur, they may reduce a Client's return from an affected property or investment and reduce or eliminate returns:

- acts of God, including earthquakes, floods and other natural disasters;
- acts of war or terrorism, including the consequences of terrorist attacks, social disturbances and civil disturbances;
- changes in national, regional and local economic and market conditions;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs associated with compliance with laws and regulations, fiscal policies and ordinances; and
- the occurrence of uninsured or under insured property losses.

If the net operating income of real estate is reduced, the borrower's ability to pay the principal of and interest on the loan in a timely manner, or at all, may be impaired and therefore could reduce the return from an affected property or investment. Net operating income of an income-producing property which holds an equity position may be adversely affected by the risks described above, as well as:

- tenant mix;
- success of tenant businesses;
- property management decisions;
- property location and condition;
- competition from comparable types of properties;
- changes in specific industry segments;
- declines in regional or local real estate values or rental or occupancy rates; and
- increases in interest rates, real estate tax rates and other operating expenses.

Commercial property values and net operating income derived from such properties are subject to volatility and may be affected adversely by a number of factors, including, but not limited to: national, regional and local economic conditions (which may be adversely affected by industry slowdowns and other factors); local real estate conditions (such as an oversupply of housing, retail, industrial, office or other commercial space); changes or continued weakness in specific industry segments; construction quality, age and design; demographic factors; retroactive changes to building or similar codes; and increases in operating expenses (such as energy costs). In the event net operating income decreases, a borrower may have difficulty making its debt service payments, which could result in losses. In addition, decreases in property values reduce the value of the collateral and the potential proceeds available to a borrower to repay investments, which could also cause result in losses to a Client. Even when the net operating income is sufficient to cover the related property's debt service payments, conditions may change in the future that decrease or eliminate such coverage. In addition, decreases in property values

reduce the value of the collateral and the potential proceeds available to a borrower to repay loans held by a Client.

*Non-Controlling Investments.* Dakota Pacific may pursue investments that constitute non-controlling interests in portfolio companies. In such instances, Dakota Pacific may have a limited ability to protect its position in such portfolio companies. Further, Dakota Pacific may have no right to appoint an individual to serve on the board of directors (or comparable governing bodies) of such portfolio companies and, as a result, may have a limited ability to influence the management of such portfolio companies. In such cases, Dakota Pacific will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other investors with whom Dakota Pacific is not affiliated and whose interests may conflict with the interests of Dakota Pacific's investors. There can be no assurance that minority investor rights will be available, or that such rights will provide sufficient protection of the interests of Dakota Pacific's investors. In addition, Dakota Pacific may obtain investments in debt instruments or other investments that do not entitle its investors to voting rights and, therefore, Dakota Pacific may have a limited ability to protect such investments.

*Contingent Liabilities on Disposition of Investments.* Relating to the disposition of an investment in a portfolio company, Dakota Pacific's Clients may be required to make representations about the business and financial affairs of the underlying portfolio company typical of those made relating to the sale of a business, or be responsible for the contents of disclosure documents. Clients may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate or with respect to certain potential liabilities or other obligations. These arrangements may result in the incurrence of accrued expenses, liabilities or contingencies for which Dakota Pacific may establish reserves or escrow accounts. In that regard, distributions, including final distributions, to a Fund Client's investors will be subject to any such reserves or holdbacks, and investors may be required to return amounts distributed to them to fund indemnity obligations or other obligations arising out of any legal proceeding against the Fund Client.

*Board Participation.* In certain instances, Dakota Pacific may designate one or more individuals to serve on the boards (or comparable governing bodies) of portfolio companies. While such representation may enhance Dakota Pacific's ability to manage its investments, it may also have the effect of impairing the ability of Dakota Pacific to sell the related securities when, and upon the terms, it might otherwise desire, and it may subject Dakota Pacific to legal claims it would not otherwise be subject to as an investor (including claims of breach of duty of loyalty, securities claims and other board-related claims).

*Investments in Less Established Companies.* Dakota Pacific may invest in less established companies or early stage companies. Investments in such early stage companies may involve greater risks than those generally associated with investments in more established companies. For example, less established companies tend to have smaller capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Early stage companies often experience unexpected issues in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately resolved. A major risk also exists that a proposed service or product cannot be developed successfully with the resources available to such an early stage company. There is no assurance that the development efforts of any such early stage company will be successful or, if successful, will be completed within budget or the time period originally estimated. Substantial amounts of financing may be necessary to complete such development and there is no assurance that such funds will be available from any particular source,

including institutional private placements or the public markets. The percentage of early stage companies that survive and prosper tends to be small. In addition, less mature companies may be more susceptible to irregular accounting or other fraudulent practices.

Some of the portfolio investments expected to be made by Dakota Pacific should be considered highly speculative and may result in the loss of investor's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the investor's other investments.

*Private Placements.* Certain private investments in which Dakota Pacific may invest will share many of the same risk characteristics as venture capital investing, offering the opportunity for significant gains, but also involve a high degree of risk, including the complete loss of capital. Among these risks are the general risks associated with investing in companies operating at a loss or with substantial variations in operating results from period to period and investing in companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including competition from companies with greater financial resources, more expansive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Dakota Pacific may invest in the form of equity or "equity linked" securities. As a result, the rights or claims of Clients may be subordinate to those of other parties, including debt or senior equity holders, in the event of the failure of any company in which such Clients invest. The companies in which Dakota Pacific invests may be thinly traded and undercapitalized and therefore may be more sensitive to adverse business or financial developments. In the event that a company in which Dakota Pacific invests is unable to generate sufficient cash flow or raise additional equity capital to meet its projected cash needs, the value of a Client's investment in such company could be significantly reduced or even lost entirely. Business risks may be more significant in smaller or development-stage companies in which Dakota Pacific invests, including intense competition, changing business and economic conditions or other developments that may adversely affect their performance. Profits of Dakota Pacific, if any, may be derived from a relatively small number of their investments in private placements. The goal of making investments in companies that will provide superior investment returns will be difficult to achieve. There is no guarantee that Dakota Pacific will be able to invest its capital on attractive terms or that returns on such investments will exceed returns on alternative investments available to prospective investors in a Client. The ability of Dakota Pacific to liquidate its positions and generate profits from their investments in private placements may also be adversely affected by a failure of companies in which they invest to comply with registration, conversion, exchange or other obligations under the agreements pursuant to which such securities have been sold to Dakota Pacific.

*Illiquid Investments.* The financial instruments and other assets in which the Investment Adviser may invest include assets that are subject to legal or contractual restrictions on their resale (e.g., financial instruments issued by privately-held entities) or for which there is a relatively inactive trading market, making purchases or sales at desired prices or in desired quantities difficult or impossible. In addition, due to thin trading in certain financial instruments or assets, investments in such financial instruments or assets may be less liquid than alternative investments for which there is a more active trading market. Therefore, the Investment Adviser's investments in illiquid or thinly-traded financial instruments or assets may reduce the returns of the Clients because it may be unable to sell the illiquid or thinly-traded financial instruments or assets at an advantageous time or price.

*Long/Short Strategy.* The Clients may pursue a long/short strategy with respect to equities, credit, commodities, and other financial instruments. Because a long/short strategy involves identifying securities, commodities or other financial instruments which are generally undervalued (or, in the case of short positions, overvalued) by the marketplace, success of this strategy necessarily depends upon the

market eventually recognizing such value in the price of the relevant financial instrument, which may not necessarily occur or may occur over extended time frames which limit profitability. Positions may undergo significant short-term declines and experience considerable price volatility during these periods. In addition, long and short positions may or may not be correlated to each other. If the long and short positions are not correlated, it is possible to have investment losses in both the long and short sides of the portfolio.

*Short Sales.* There are many risks related to using short sales, including that losses from short sales could be unlimited if the price of the security sold short continues to appreciate.

*Risks from Hedging Activities.* The Investment Adviser may, as described above, from time to time utilize stock index futures and/or stock index options for the purpose of rapid risk reduction. There remains a substantial risk, however, that these and other hedging techniques may not always be effective in limiting losses. If the Investment Adviser's trading methodology analyzes market conditions incorrectly, the Investment Adviser's hedging techniques could result in a loss, regardless of whether the intent was to reduce risk. These risk reduction and other hedging techniques may also increase the volatility of the Clients, may involve a small investment of cash relative to the magnitude of the risk assumed, or result in a loss if the other party to the transaction does not perform as promised.

*Trade Errors.* Trading errors are an intrinsic factor in any complex investment process and will occur notwithstanding the exercise of due care and the existence of procedures reasonably designed to prevent such errors. Such errors might include, for example, incorrect entry of a trade into an electronic trading system, errors when reconciling trade activity, or drafting errors related to trade contracts or confirmations. Except to the extent required by non-waivable provisions of federal or state securities laws, the Clients (and not the Investment Adviser) will bear any losses resulting from portfolio management, trading or administrative errors relating to the investment activities in the absence of fraud, willful misconduct or gross negligence by the Investment Adviser or its affiliates or personnel. Any gains or benefits that result from trade errors will also accrue to the Clients.

*Changes in Trading Approach.* The Investment Adviser may not follow one specific investment strategy, but rather, may employ different trading strategies which the Investment Adviser feels are consistent with its investment objective. Because the Investment Adviser may change a Client's allocation of assets among a variety of diverse investments and strategies at any time, Clients will be exposed to the risks associated with each of those investments and strategies but will not know at the time of investment, or over the duration of their investment, the precise nature of such exposure. An investment with Dakota Pacific therefore involves a high degree of uncertainty, and investors will be exposed to a significant degree of risk.

*Technical Trading Systems.* The Investment Adviser may rely on technical trading systems. For any technical trading system to be profitable, there must be price moves or "trends" – either upward or downward – in some financial instrument that the system can track and those trends must be significant enough to dictate entry or exit decisions. Trendless markets have occurred in the past and are likely to recur. In a trendless or erratic market, a technical trading system may fail to identify a trend on which action should be taken or may overreact to minor price movements and thus establish a position contrary to overall price trends, which may result in losses. In addition, a technical trading system may be profitable for a period, after which the system fails to detect correctly any future price movements. Accordingly, technical traders often modify or replace their systems on a periodic basis. Any factor (such as increased governmental control of, or participation in, the markets traded) that lessens the prospect of



sustained price moves in the future may reduce the likelihood that the Investment Adviser's technical systems will be profitable.

*Reliance on Fundamental Analysis.* The Investment Adviser may base its trading decisions, in whole or in part, on fundamental analysis. Fundamental trading systems consider factors, such as inflation, trade balances, inventories and interest rates, which do not have an impact on traditional technical trading systems, in an attempt to identify investment opportunities. To the extent that such factors provide mixed or conflicting signals, the fundamental trading systems may not be able to detect and/or accurately predict price trends. There can be no guarantee that the Investment Adviser's fundamental trading systems will enable the Investment Adviser to accurately value the financial instruments in which it invests for any Clients, or that any anticipated price trends will materialize with respect to such investments.

*Concentration of Investments.* The Clients may have a few relatively large positions (in relation to their capital) with the result that a loss in any one position could have a material adverse impact on the value of the relevant Client.

*Trading in Currencies.* The Investments Adviser expects to trade currencies and financial instruments in interbank and forward contract markets which the Investment Adviser believes to be well-established and of recognized standing. Nonetheless, the Clients may be exposed in the interbank market to risks associated with any government or market action that might suspend or restrict trading or otherwise render illiquid, in whole or in part, the relevant Client's position. Although certain currency trades may be effected through exchange-traded financial instruments, the foreign currency market remains predominantly an over-the-counter market, and is therefore subject to the risks typical to over-the-counter trading. The Investment Adviser may effect such trades with prime brokers, banks and other market participants which it believes to be creditworthy.

*Mortgage-Related Securities.* The Investment Adviser may invest in mortgage-related securities. Generally, mortgage-related securities tend to be sensitive to changes in interest rates. Therefore, during a period of rising interest rates, such mortgage-related securities may exhibit additional volatility. In addition, mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgage sooner than expected. This can reduce the returns of the Investment Adviser's clients, including the Dakota Pacific Funds, because such clients may have to reinvest that money in lower prevailing interest rates. Special risks may also be associated with investments in fixed or adjustable rate mortgage pass-through securities, and fixed or adjustable rate CMOs, REMICs and SMBSs. For example, SMBSs are structured with two or more classes of securities that receive different proportions of the interest and principal distributions on a pool of mortgage assets. In some cases, one class will receive all the interest while the other will receive the entire principal. The yield to maturity of SMBSs may be extremely sensitive to the rate of principal payments on the underlying mortgage loans. A rapid change in the rate of principal payments may have a material adverse effect of the yield to maturity of SMBSs. It is therefore possible that the Investment Adviser's clients, including the Dakota Pacific Funds, may incur losses on their investments in SMBSs regardless of their ratings by rating agencies such as Standard & Poor's and Moody's.

*Sovereign Debt Risk.* Investments in sovereign debt securities involve special risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to: the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of

sovereign debt defaults on payments of principal and/or interest, the Investment Adviser's clients, including the Dakota Pacific Funds, may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the relevant client's ability to obtain recourse may be limited.

*Index Valuation.* Investors should keep in mind that an index can respond only to reported price movements in its constituent securities. An index will therefore reflect the stock market as a whole, or particular market segments, only to the extent that the securities in the index are being traded, the prices of those trades are being promptly reported, and the market prices of those securities, as measured by the index, reflect price movements in the relevant markets. The index level will be affected by all the factors that may at the time affect prices in the relevant markets for the constituent securities of the index, including, among other things, applicable laws, regulations and trading rules, the market-making and order processing systems of those markets, the liquidity and efficiency of those markets, and the prices and price behavior of futures contracts on that index or a related index.

*Cybersecurity Risk.* With the increased use of technologies, such as the Internet, to conduct business, the Investment Adviser, its Clients, and companies the Clients' invest in are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Investment Adviser and other service providers (including, but not limited to, accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate a Client's new asset value, impediments to trading, the inability of investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting companies the Clients invest in, counterparties with which Investment Adviser engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for investors) and other parties. In addition, substantial costs may be incurred by the companies the Clients invest in or the Client itself in order to prevent any cyber incidents in the future. While the Client's service providers, including Investment Adviser, have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, Investment Adviser and the Clients cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect the Clients. The Clients and its investors could be negatively impacted as a result.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS INVOLVED WITH DAKOTA PACIFIC'S INVESTMENT PROGRAMS OR AN INVESTMENT IN ANY FUND OR ACCOUNT ADVISED BY DAKOTA. PROSPECTIVE CLIENTS AND INVESTORS MUST CONSULT THEIR OWN ADVISERS BEFORE DECIDING WHETHER TO MAKE SUCH AN INVESTMENT. INVESTORS AND PROSPECTIVE INVESTORS IN ANY FUND CLIENT SHOULD**

**CAREFULLY REVIEW THE PERTINENT SECTIONS IN THE APPLICABLE MEMORANDA. THE MEMORANDA ARE AVAILABLE ONLY TO INVESTORS WHO ARE ELIGIBLE TO INVEST IN THE DAKOTA PACIFIC FUNDS, AS DETERMINED IN THE SOLE DISCRETION OF DAKOTA PACIFIC.**

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### **DISCIPLINARY INFORMATION**

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Dakota Pacific is required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's evaluation of Dakota Pacific or the integrity of Dakota Pacific's management. Dakota Pacific has no such information to report.

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

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The Investment Adviser also is registered as a commodity pool operator with the CFTC under the Commodity Exchange Act ("CEA") and is a member in good standing of the National Futures Association. The Investment Adviser intends to operate Dakota Pacific Global as an exempt pool under CFTC Rule 4.7 and therefore is not required to adhere to certain disclosure, reporting, and recordkeeping requirements under the CEA.

Dakota Pacific II GP, LLC and Dakota Pacific RE GP, LLC are affiliates of the Investment Adviser by partial common ownership. Dakota Pacific II GP, LLC and Dakota Pacific RE GP, LLC each act as the general partner to a collective investment vehicle.

Dakota Pacific RE Management LLC is an affiliate of the Investment Adviser by partial common ownership and is an investment manager of a collective investment vehicle. In addition, Dakota Pacific, LLC is an affiliate of the Investment Adviser by partial common ownership. Dakota Pacific, LLC is an exempt reporting adviser and acts as the investment adviser to a collective investment vehicle.

**Other Clients.** Certain inherent conflicts of interest may arise from the fact that Dakota Pacific carries on substantial investment activities for multiple Clients simultaneously. Dakota Pacific may give advice and recommend investments to, or engage in investment transactions for, certain of its Clients which advice or investments may differ from advice given to, or investments made for, other Clients, even though their investment objectives may be the same or similar. The investment methods and strategies that Dakota Pacific uses to manage a particular Client's account may be used by Dakota Pacific when managing another Client's account, which may result in multiple clients "competing" for limited investment opportunities in certain cases. Non-discretionary Clients may pay different costs than discretionary Clients pay. Dakota Pacific may not be able to buy and sell the same quantities of securities for non-discretionary Clients and in turn they may pay higher commission, fees, and or transaction costs than discretionary Clients. Dakota Pacific and/or its affiliates, including the Manager may have a conflict of interest in rendering advice to a particular Client because the financial benefit from managing another Client's account may be greater, which could provide an incentive to favor such other account. Trading for Clients is subject to Dakota Pacific's trade allocation policies as described below in "*Brokerage Practices*," which seek to mitigate the conflicts described above.

**Other Activities.** Dakota Pacific's principals also provide certain services for operating companies. Such services do not include any discretionary or non-discretionary investment advice but require Dakota

Pacific's principals to devote some of their time to the operating companies. Dakota Pacific's principals will devote only so much time and attention to the business and affairs of Dakota Pacific's Clients as they deem reasonably necessary.

**Proprietary Trading.** Dakota Pacific and its principals and affiliates also may invest and trade for their own accounts, including in securities and other financial instruments that are the same as or different from those traded or held by its Clients. Dakota Pacific has established policies and procedures designed to ensure that any such trading is conducted on a fair and equitable basis over time. The records of trading by Dakota Pacific and its principals and affiliates will not be made available to Clients, except to the extent required by law. Trading by principals and personnel of Dakota Pacific is subject to Dakota Pacific's Code of Ethics and personal trading policy, as described below in "*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.*"

**Co-Investments.** As noted above in "*Types of Clients,*" Dakota Pacific may raise co-investment funds or establish co-investment vehicles, and the existence of, and participation by Dakota Pacific and its affiliates in, such funds and vehicles may create conflicts of interest. These are addressed as described in "*Types of Clients*" above.

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## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

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Dakota Pacific has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, prohibitions on insider trading and rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Dakota Pacific must acknowledge the terms of the Code of Ethics annually, or as amended. Dakota Pacific's Clients or prospective Clients may request a copy of Dakota Pacific's Code of Ethics by contacting Ryan Kanaley, Dakota Pacific's Chief Compliance Officer, at (801) 441-1391.

As a matter of policy, Dakota Pacific will not cause one Client to effect transactions (i) in which such Client purchases securities or other instruments from, or sells securities or other instruments to, Dakota Pacific or its principals or affiliates (i.e., principal trades), (ii) in which Dakota Pacific or one of its affiliates (e.g., the Manager) acts as broker for both the Client and the other party to the transaction (i.e., agency cross transactions), or (iii) in which a Client purchases securities or derivatives from, or sells securities or derivatives to, another Client (i.e., cross trades).

Dakota Pacific may cause Clients to purchase or sell securities in which Dakota Pacific and/or its affiliates, directly or indirectly, have a position or interest, in cases where such transactions are deemed appropriate and consistent with the relevant Clients' investment objectives. This may include, without limitation, causing Clients to purchase securities that are also held by principals or affiliates of Dakota Pacific in their own proprietary or personal trading accounts, subject, in all cases, to compliance with Dakota Pacific's Code of Ethics.

The Code of Ethics is designed to assure that the personal transactions, activities and interests of Dakota Pacific's employees will not interfere with Dakota Pacific's ability to make and implement investment decisions in the best interest of its Clients. The Code of Ethics requires pre-clearance of certain transactions by Dakota Pacific's employees, as well as the disclosure of outside business activities by

Dakota Pacific's employees, and requires that the interests of Clients be placed ahead of those of Dakota Pacific employees in their personal trading. Subject to satisfying the Code of Ethics and applicable laws, officers, directors and employees of Dakota Pacific and its affiliates may trade for their own accounts, as described above in "*Other Financial Industry Activities and Affiliations*." Because the Code of Ethics in some circumstances would permit Clients to invest in securities in which Dakota Pacific's personnel or affiliates may have a proprietary interest, there is a possibility that such persons could benefit from a Client's market activity in the same or a related instrument. Employee trading is monitored under the Code of Ethics in an effort to prevent conflicts of interest between Dakota Pacific and its Clients.

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## BROKERAGE PRACTICES

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Dakota Pacific selects the brokers to be utilized by the Dakota Pacific Funds, and has discretion to select different brokers to be used for each transaction and to negotiate the rates and commissions the relevant Fund Client pays. Brokerage arrangements for Managed Accounts and responsibility for the selection of brokers (as between Dakota Pacific and the Managed Account) is and will be determined pursuant to the investment advisory agreement for such Managed Account.

Where Dakota Pacific selects or recommends brokers to a Client, Dakota Pacific may not adhere to any rigid formulae in making such selection or recommendation, but weighs a combination of criteria consistent with its obligation to seek "best execution" for its Clients. In selecting brokers to execute transactions, Dakota Pacific need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Brokers are and will be selected or recommended generally based on best execution, which may be determined by considering, in addition to price and commission rates, other factors including reliability, reputation, financial responsibility, stability, ability to execute trades, nature and frequency of sales coverage, commission rate, if any, and responsiveness ("Products and Services").

**Research and Other Soft Dollar Benefits.** The Investment Adviser generally does not intend to use "soft dollar arrangements" to pay for other services provided by prime brokers. If the Investment Adviser determines to use "soft dollars," the Investment Adviser will only enter into "soft dollar" arrangements that fall within the "safe harbor" provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. Furthermore, to the extent that any incidental benefits (such as research) are provided to any of the Clients the Investment Adviser, and their respective principals and affiliates and/or other accounts relating to trading futures or options on futures, it is expected that such incidental benefits would fall within the safe harbor provisions of Section 28(e) of the 1934 Act as if such benefits were being provided in connection with the trading of securities.

Dakota Pacific may derive substantial direct or indirect benefit from Products and Services. To the extent that Dakota Pacific receives the benefits of Products and Services, a potential conflict of interest exists between Dakota Pacific's duty to manage or trade in the best interests of its Clients and in an effort to obtain best execution, and Dakota Pacific's desire to receive the potential benefits of these Products and Services. In addition, Dakota Pacific may use Products and Services in servicing some or all of its Clients and the clients of its affiliates, and some Products and Services may not necessarily be used by a particular client even though its commission dollars may have provided for the Products and Services. A Client, therefore, may not, in a particular instance, be the direct or indirect beneficiary of the Products or Services provided.

As Dakota Pacific did not have any Clients within the preceding year, Dakota Pacific did not acquire any Products and Services with Client brokerage commissions within the preceding year.

**Client Referrals from Brokers.** Client referrals are not relevant to Dakota Pacific's selection or recommendation of broker-dealers. However, Dakota Pacific may in the future utilize brokers who refer prospective Clients or investors to Dakota Pacific. Because such referrals, if any, are likely to benefit Dakota Pacific, but will not necessarily provide any significant benefit to Clients, Dakota Pacific will have a conflict of interest when allocating brokerage business to a broker who has referred Clients to Dakota Pacific. To prevent brokerage commissions from being used to pay investor referral fees, Dakota Pacific will not allocate brokerage business to a referring broker unless they determine in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to Clients.

**Directed Brokerage Arrangements.** Dakota Pacific does not engage in directed brokerage arrangements.

**Aggregation and Allocation of Client Orders/Investments.** Although they are not expected to arise often, in the event that a limited investment opportunity is identified by Dakota Pacific that is within the investment mandate of more than one Client, the relevant Clients generally will be offered an opportunity to participate in the investment and Dakota Pacific will make an equitable allocation of the opportunity among all participating Clients. If such event were to arise with respect to public securities, Dakota Pacific intends to combine purchase and sale orders on behalf of such Clients, and all such participants in the transaction will receive the average price (net of transaction costs) in the transactions. Although aggregation may operate to the disadvantage of particular Clients in a given transaction, such aggregation is intended to promote fairness over the longer term among all Clients involved in the transaction. While Dakota Pacific's goal is to be fundamentally fair on an overall basis with respect to all Clients, there can be no assurance that on a trade-by-trade basis that any particular Client will not be treated more favorably than another.

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## REVIEW OF ACCOUNTS

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**Account Reviews.** The investments of the Dakota Pacific Funds are regularly monitored by Dakota Pacific's portfolio managers. The review process includes ongoing consideration of major market and economic developments and their effect on the securities held in the Client accounts.

**Client Reporting.** Investors in the Dakota Pacific Funds are generally provided with written periodic unaudited reports and annual audited fiscal year-end financial information.

Specific reviews and reporting to Managed Accounts and co-investors generally are and will be agreed upon between Dakota Pacific and the applicable Managed Account and/or co-investor.

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## CLIENT REFERRALS AND OTHER COMPENSATION

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Dakota Pacific and its related persons do not compensate third parties for Client referrals and do not receive an economic benefit for providing advice to its Clients from anyone other than its Clients.

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## CUSTODY

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Dakota Pacific, and its affiliates, (General Partner and/or Manager to the Dakota Pacific Funds) have custody of the funds and securities of the Dakota Pacific Funds and its “co-investor” clients, which are and will be maintained at one or more “qualified custodians,” as defined under Rule 206(4)-2 of the Advisers Act. A “qualified custodian” generally is a bank or savings association that has deposits insured by the U.S. Federal Deposit Insurance Corporation, an SEC registered broker-dealer, a futures commission merchant or a foreign financial institution that holds segregated customer assets. An independent public accountant audits the Dakota Pacific Funds and co-investment funds on an annual basis, and copies of the audited financial statements will be sent to the investors in the Dakota Pacific Funds and co-investor funds, as described above in “*Review of Accounts*.” Dakota Pacific currently does not and in the future does not intend to take custody of the funds and securities of Managed Accounts.

Clients may receive periodic statements from the custodian that holds and maintains the Clients’ investment assets. Dakota Pacific urges each Client to carefully review such statements and compare such official custodial records to any account statements that Dakota Pacific may provide such Client. Dakota Pacific’s statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities or other instruments.

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## INVESTMENT DISCRETION

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Dakota Pacific only exercises discretionary authority over the accounts of Dakota Pacific Global. Dakota Pacific will receive discretionary authority from a Client at the outset of an advisory relationship, by means of an investment advisory or similar agreement that grants a power of attorney in favor of Dakota Pacific to select the identity and amount of any investments to be bought or sold for its Clients. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account.

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## VOTING CLIENT SECURITIES

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Dakota Pacific holds the authority to vote proxies on behalf of the Dakota Pacific Funds; however, it is generally not Dakota Pacific’s practice to vote such proxies, as it is Dakota Pacific’s view that the outcome of such corporate decisions related to the financial instruments in which the Dakota Pacific Funds invest typically do not materially impact the implementation of Dakota Pacific’s investment strategies. Dakota Pacific periodically analyzes the estimated costs associated with casting such proxies on behalf of the Dakota Pacific Funds against any estimated potential benefits of doing so, and reserves the right to vary this practice where it determines that doing so is in the best interests of the Dakota Pacific Funds, although it is not anticipated that Dakota Pacific will do so. Clients generally may not direct Dakota Pacific’s vote in a particular solicitation. Each Fund Client may request a copy of Dakota Pacific’s proxy voting policies and procedures relating to the applicable Fund Client and information

about how Dakota Pacific voted any proxies on behalf of such Fund Client by contacting Ryan Kanaley, Dakota Pacific's Chief Compliance Officer, at (801) 441-1391.

Unless otherwise agreed with a particular Client, as a matter of firm policy, Dakota Pacific does not and will not have any authority to vote proxies on behalf of Managed Accounts, nor does Dakota Pacific advise or intend to advise Clients in any manner regarding such votes. Clients receive proxies and other solicitations directly from their custodian or transfer agents and retain the responsibility for voting proxies for any and all financial instruments maintained in Managed Accounts.

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## **FINANCIAL INFORMATION**

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Dakota Pacific does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. Further, Dakota Pacific has no financial condition that impairs its ability to meet contractual commitments to clients and has never been the subject of a bankruptcy proceeding.



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## PRIVACY POLICY

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Dakota Pacific is committed to protecting your privacy and maintaining the confidentiality and security of your personal information. This Privacy Policy explains the manner in which Dakota Pacific collects, utilizes and maintains nonpublic personal information about its investors (“**Investors**”), as required under federal law. “**Dakota Pacific**” collectively refers to Dakota Pacific Global Macro Advisers LP, Dakota Pacific Global Macro LLC, and each investment account, partnership, limited liability company or fund (individually a “**Fund**,” and collectively, the “**Funds**”) for which Dakota Pacific Global Macro Advisers LP and Dakota Pacific Global Macro LLC serves as general partner, manager, managing member, director, trading manager and/or investment adviser. This Privacy Policy only applies to products and services provided by Dakota Pacific to individuals (including regarding investments in the Funds) and which are used for personal, family, or household purposes (not business purposes).

### Collection of Investor Information

Dakota Pacific collects personal information about its Investors from the following sources:

1. Subscription forms, investor questionnaires, account forms, and other information provided by the Investor in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, employment information, and financial and investment qualifications;
2. Transactions within the Fund, including account balances, investments, withdrawals and fees;
3. Other interactions with Dakota Pacific (for example, discussions with our staff); and
4. Verification services and consumer reporting agencies, including an Investor’s creditworthiness or credit history.

### Disclosure of Nonpublic Personal Information

Dakota Pacific may share nonpublic personal information about its Investors or potential Investors with affiliates, as permitted by law. Dakota Pacific does not disclose nonpublic personal information about its Investors or potential Investors to nonaffiliated third parties, except as permitted by law (for example, to service providers who provide services to the Investor or the Investor’s account).

Dakota Pacific may share nonpublic personal information, without an Investor’s consent, with affiliated and nonaffiliated parties in the following situations, among others:

1. To respond to a subpoena or court order, judicial process or regulatory inquiry;
2. In connection with a proposed or actual sale, merger, or transfer of all or a portion of its business;
3. To protect or defend against fraud, unauthorized transactions (such as money laundering), lawsuits, claims or other liabilities;

4. To service providers of Dakota Pacific in connection with the administration and operations of Dakota Pacific, the Fund and other Dakota Pacific products and services, which may include brokers, attorneys, accountants, auditors, administrators or other professionals;
5. To assist Dakota Pacific in offering Dakota Pacific affiliated products and services to its Investors; and
6. To process or complete transactions requested by an Investor.

### **Former Customers and Investors**

The same Privacy policy applies to former Investors.

### **Protection of Investor Information**

Dakota Pacific maintains physical, electronic and procedural safeguards that comply with federal standards to protect customer information. Dakota Pacific restricts access to the personal and account information of Investors to those employees who need to know that information in the course of their job responsibilities. Dakota Pacific will destroy, erase or make unreadable data, computer files and documents containing nonpublic personal information prior to disposal.

### **Further Information**

Dakota Pacific reserves the right to change this Privacy Policy at any time. The examples contained within this Policy are illustrations and are not intended to be exclusive. This Policy complies with federal law regarding privacy. You may have additional rights under other foreign or domestic laws that may apply to you. If you have any questions about this Privacy Policy, please call us at (801) 961-1139.

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**FORM ADV PART 2B**

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**Dakota Pacific Global Macro Advisers LP**  
**Brochure Supplement**

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**Matthew W. Lambert**  
**Chief Investment Officer**

**299 South Main Street, Ste. 2450**  
**Salt Lake City, Utah 84111**

**Telephone: (801) 961-1139**

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This Brochure Supplement provides information about the qualifications of Matthew W. Lambert, founder and Chief Investment Officer of Dakota Pacific Global Macro Advisers LP (“DPGMA” or the “Firm”) that supplements the Firm’s brochure. Any questions about the contents of this brochure should be directed to Ryan Kanaley, Chief Compliance Officer at (801) 961-1391.

Additional information about the Firm’s Investment Adviser Representatives is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The site is searchable by a unique identifying number known as a CRD number. Matthew Lambert’s CRD number is 4970306.

## **ITEM 2 EDUCATION AND BUSINESS EXPERIENCE**

CRD No. 4970306

Year of Birth: 1977

### **Educational Background**

Matthew Lambert holds an MBA from the Wharton School of Business, an MA in International Studies from the University of Pennsylvania and a BA in English from Brigham Young University

### **Business Experience**

Lambert has 17 years of investment experience.

Prior to forming DPGM, Mr. Lambert worked for over 2 years as Chief Investment Officer of JR Miller Enterprises, a family office investment firm. Before joining JR Miller Enterprises, Mr. Lambert spent over 7 years at Millgate Capital, an asset management firm where Mr. Lambert, as Managing Director, managed a broad array of asset classes and strategies, and, starting in 2007, co-managed a cross-asset macro strategy with the founder and CIO of Millgate Capital. Prior to Millgate, Mr. Lambert worked at Granite Capital Partners, a private equity investment fund. Mr. Lambert speaks Spanish and Portuguese.

## **ITEM 3 DISCIPLINARY INFORMATION**

None. Matthew Lambert does not have any legal or disciplinary events material to a client's or prospective client's evaluation.

## **ITEM 4 OTHER BUSINESS ACTIVITIES**

Matthew Lambert does not engage in other business activities.

## **ITEM 5 ADDITIONAL COMPENSATION**

Matthew Lambert does not receive any economic benefit from any third party for providing advisory services.

## **ITEM 6 SUPERVISION**

Matthew Lambert is the Chief Investment Officer of DPGMA. DPGMA provides investment advisory services in accordance with its policies and procedures manual. Ryan Kanaley serves as DPGMA's Chief Compliance Officer and is primarily responsible for the oversight of Matthew Lambert's advisory activities and the implementation of the Firm's policies and procedures. Mr. Kanaley may be contacted at (801) 441-1391 or [rkanaley@dakotapacificcapital.com](mailto:rkanaley@dakotapacificcapital.com) for more information about this Brochure Supplement.