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## **Digital Bridge Advisors, LLC**

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**This Brochure provides information about the qualifications and business practices of Digital Bridge Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 561.544.7448. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

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

**September 6, 2019**

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## ITEM 2 – MATERIAL CHANGES

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This brochure dated September 6, 2019 is an interim update to our last filing dated March 29, 2019. Digital Bridge is required to identify and discuss material changes made to this Brochure since its last annual update dated March 29, 2019. Accordingly, please note the following material changes:

**September 6, 2019 Update:** On July 25, 2019, Digital Bridge Holdings, LLC entered into a business combination with certain wholly owned subsidiaries of Colony Capital, Inc. (together with its subsidiaries, “Colony Capital”), a Maryland corporation and the parent company of Colony Capital Investment Advisors, LLC, an SEC-registered investment adviser. As part of the transaction, Colony Capital acquired 100% of Digital Bridge Holdings, LLC, the parent company of Digital Bridge Advisors, LLC. The transaction resulted in a change of control of Digital Bridge Holdings, LLC and Digital Bridge Advisors, LLC. Under the terms of the transaction, the executive and investment teams of Digital Bridge Advisors will continue to manage each SPV and Client account consistent with its investment mandates. Items 4, 5 and 6 of this Brochure have been amended throughout to reflect details of the combination, including the assignment of certain equity and profits interests held directly or indirectly by Digital Bridge in the Portfolio Companies to a Principal Equity Vehicle owned by certain management personnel of Digital Bridge.

Further, Item 10 has been revised to reflect the affiliation of Digital Bridge Advisors and Colony Capital as a result of the transaction, and any corresponding conflicts of interest presented.

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## **ITEM 4 – ADVISORY BUSINESS**

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### **Digital Bridge’s Advisory Business**

Digital Bridge Advisors, LLC (“Digital Bridge Advisors”) is a Delaware limited liability company formed on September 15, 2017, founded by Marc C. Ganzi and Benjamin J. Jenkins. Digital Bridge Advisors is a wholly owned subsidiary of Digital Bridge Holdings, LLC (“Digital Bridge Holdings”) (together with Digital Bridge Advisors and other subsidiaries of Digital Bridge Holdings, “Digital Bridge”). On July 25, 2019, Colony Capital, Inc. (including its subsidiaries, “Colony Capital”) acquired a 100% interest in Digital Bridge Holdings, the parent company of Digital Bridge Advisors (the “Transaction”). As part of the transaction, it is anticipated that direct ownership of Digital Bridge Advisors will be transitioned from Digital Bridge Holdings to a special purpose holding vehicle, Colony Capital Digital HoldCo LLC, during the third or fourth quarter of 2019. Colony Capital, Inc. is the publicly-traded parent company of SEC-registered investment adviser Colony Capital Investment Advisors, LLC (“CCIA”). Colony Capital is a global investment management firm. Mr. Ganzi and Mr. Jenkins will continue to lead the investment team managing SPV and Client accounts at Digital Bridge, as defined below. As part of the Transaction, all management fees payable to Digital Bridge (as discussed further below) will continue to be payable to Digital Bridge. However, all equity and profits interests in SPV or Clients (as such terms are defined below) previously held by Digital Bridge have been assigned to a special purpose vehicle (“Principal Equity Vehicle”) owned by Mr. Ganzi, Mr. Jenkins and Alexander L. Gellman. Mr. Ganzi and Mr. Jenkins have also entered into multi-year employment agreements with Colony Capital. Mr. Ganzi will become the CEO of Colony Capital following a transition period, and Mr. Jenkins will join Colony Capital’s leadership.

Digital Bridge and Colony Capital previously collaborated on a joint venture basis to form Digital Colony Management, LLC (“Digital Colony Management”), a Delaware limited liability company and investment adviser registered with the SEC that, acting through DCP Fund I Adviser, LLC, a relying adviser thereof, serves as investment adviser to Digital Colony Partners, LP and Digital Colony Partners (Offshore), LP, private investment funds (together, the “Digital Colony Fund”). The combination represents the continued evolution and integration of Digital Bridge and Colony Capital. The investment committee of Digital Colony GP, LLC, which is the general partner of the “Digital Colony Fund, and the investment team of Digital Colony Management, LLC includes officers, directors and employees of Digital Bridge.

### **Types of Advisory Services Offered**

Digital Bridge facilitates investment in, and is itself an investor in and an operator of, companies focusing on mobile and internet infrastructure, including data centers, macro cell towers, fiber networks and small cell networks (collectively, “Digital Infrastructure”). Digital Bridge facilitates investments into operating portfolio companies (each a “Portfolio Company” and collectively the, “Portfolio Companies”) on behalf of itself (and as noted above, the Principal Equity Vehicle) and, in certain cases, one or more institutional or high-net worth co-investors (each, an “Investor”) through one or more special purpose vehicles (each, an “SPV” or “Client”). Each Investor remains responsible for conducting its own due diligence on a particular Portfolio Company, for determining whether to make an investment and, subject to certain transfer restrictions and other provisions set forth in the operating agreements of the applicable SPV, for determining whether to continue to hold an investment. Certain employees of Digital Bridge also actively participate in the management of each Portfolio Company through serving as (or designating) board

members of the SPVs, typically alongside representatives of certain Investors, and through business services agreements entered with certain SPVs (see Item 5 below).

In certain instances, Digital Bridge will vary certain of the terms relating to investment in a particular Portfolio Company or SPV for certain Investors, or grant to any such Investor specific rights, benefits or privileges that are not made available to other Investors. Digital Bridge will also, in certain instances, provide a greater level of disclosure regarding the investments and activities of a Client to certain Investors than other Investors. These variations and agreements are generally contained in side letter agreements negotiated and agreed with individual Investors.

The Digital Colony Fund's investment objective is to generate attractive risk-adjusted returns primarily through privately negotiated equity or other investments in any assets or businesses related to the Digital Infrastructure sector on a global basis. The Digital Colony Fund may also invest directly or indirectly in debt or preferred equity instruments secured by assets or businesses related to Digital Infrastructure.

Digital Bridge does not participate, sponsor or act as a portfolio manager for any wrap fee programs.

### **Regulatory Assets Under Management**

As of December 31, 2018, Digital Bridge had regulatory assets under management of approximately \$4,310,572,700 of which approximately \$445,158,500 was managed on a discretionary basis and approximately \$3,865,414,200 was managed on a non-discretionary basis.

## **ITEM 5 – FEES AND COMPENSATION**

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Investors generally pay an asset-based fee based on the amount of either their committed or contributed capital, as provided in each Client's operating agreement or as otherwise proscribed in applicable side letter agreements between Digital Bridge and the Investor, as applicable. Consequently, the fees or compensation structure vary depending on the particular circumstances and agreements between Digital Bridge, each Client and certain Investors, as applicable.

In addition, Digital Bridge has entered into business services agreements where Digital Bridge provides Portfolio Companies with certain operational or administrative support services in exchange for a flat monthly or annual fee. In certain cases, Digital Bridge also licenses software to Portfolio Companies for a flat monthly or annual fee.

Certain Digital Bridge management personnel may also, in certain circumstances, serve as employees or independent contractors of Portfolio Companies in exchange for additional compensation, which may include equity interest in the applicable Portfolio Company. See Item 10 below for additional information concerning these relationships and the conflicts of interest created by these relationships.

Digital Bridge's fees are negotiable. The relevant agreements with each Client, and in certain cases directly with Investors, set forth any fees and expenses that Digital Bridge is entitled to receive in exchange for its services, and the timing in which such fees or expenses are payable. Digital Bridge typically charges its management fees annually, and invoices and requires payment by Investors of such fees in advance.

Clients and Investors typically pay fees to Digital Bridge for the entire holding period of a particular investment. If an Investor transfers its ownership interest in a particular investment, there may be a fee refund due to that Investor for the portion of the annual fee that was paid in advance for the year in which the transfer occurred. Any such refund would be calculated on a pro rata basis, based on the number of days the Investor actually owned the relevant investment during the year the transfer occurred. In addition, there may be a fee refund due to an Investor that makes a capital commitment to an SPV but does not invest such capital within a specified period of time, as agreed upon in the relevant agreements governing the Investors' investment.

As part of the Transaction with Colony Capital, any management fees payable by Investors or SPVs to Digital Bridge remain unaffected. However, all equity and profits interest that Digital Bridge or Messrs. Ganzi, Jenkins and Gellman retain in connection with investments by SPVs and Clients into Portfolio Companies have been assigned to the Principal Equity Vehicle, which is owned by Messrs. Ganzi, Jenkins and Gellman. As a result of the assignment, the owners of the Principal Equity Vehicle and not Digital Bridge will have the authority to serve as, or designate, directors or board members of the Portfolio Companies or SPVs. The individual owners of the Principal Equity Vehicle consist of the prior owners of Digital Bridge Holdings, LLC, and are the same individuals responsible for actively managing Client accounts at Digital Bridge.

In addition, the Principal Equity Vehicle is entitled to receive a profits interest, if any, from its membership interest in Digital Colony GP, LLC, the general partner of the Digital Colony Fund, and the general partners of certain Digital Colony Fund alternative investment vehicles and co-investment vehicles affiliated with the Digital Colony Fund. Certain Digital Bridge personnel also participate in the profits interest of the Digital Colony Fund and alternative investment vehicles and co-investment vehicles affiliated with the Digital Colony Fund.

Neither Digital Bridge nor its Supervised Persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of investment funds.

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

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Digital Bridge and its employees are entitled to receive performance-based fees under certain circumstances in connection with its management services rendered to its Clients. Specifically, officers, directors and employees of Digital Bridge receive, directly or indirectly, a performance fee, referred to as "carried interest", on total profits after Investors receive a return of their capital plus, in certain instances, a stated compounded preferred return. As part of the Transaction, all equity and profits interests in SPVs or Portfolio Companies previously held by Digital Bridge have been assigned to the Principal Equity Vehicle. In addition, Digital Colony GP, LLC, the general partner of the Digital Colony Fund, in which the Principal Equity Vehicle is an indirect member, is entitled to receive a carried interest on total fund profits after Investors receive a return of their capital plus a stated compounded preferred return as more fully described in the applicable limited partnership agreements of the Digital Colony Fund.

Digital Bridge has different fee arrangements with its Clients and Investors, including asset-based and performance-based fees (including those paid by Investors for management of Client accounts). The payment of such performance-based fees may create an incentive for Digital Bridge to favor those Clients

or Investors that are more likely to pay higher fees or to pay performance-fees in addition to asset-based fees. Digital Bridge and its Supervised Persons seek to treat all Clients in a fair and equitable manner, and has adopted policies and procedures governing the allocation of investment opportunities and use of performance-based fees (see Item 10 for additional information). With respect to the Digital Colony Fund, Digital Colony Management has established a variety of policies and other controls regarding, among other things, the allocation of investment opportunities. Please refer to the Digital Colony Management Form ADV, Part 2A for additional information on how Digital Colony Management addresses conflicts of interest associated with the right to receive performance-based compensation.

## **ITEM 7 – TYPES OF CLIENTS**

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As discussed above, Digital Bridge provides advice to Clients that are privately offered special purpose vehicles, each formed to facilitate investments in a particular Portfolio Company. Investors are typically either Institutional Investors or high net worth individuals. As a general matter, Digital Bridge will only accept Investors that satisfy applicable eligibility and suitability requirements for private transactions pursuant to available exemptions under applicable securities laws, including Sections 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940 (as applicable) and Regulation D under the Securities Act of 1933.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

Digital Bridge’s investment process has five key aspects—Deal Sourcing, Disciplined Due Diligence, Flexible Transaction Structuring, Active Management of Portfolio Companies, and the Involvement of Senior Advisers and Operating Partners. Each one of these aspects of Digital Bridge’s investment process is described in greater detail below.

1. **Deal Sourcing.** Digital Bridge’s principals maintain relationships with wireless carriers, cloud and enterprise companies, infrastructure developers and suppliers, investors and service providers such as industry consultants, bankers and financiers. Principals at Digital Bridge are actively involved in various industry and regulatory organizations in the Digital Infrastructure sector. Digital Bridge leverages these relationships to source proprietary deals.
2. **Disciplined Due Diligence.** Digital Bridge has strict due diligence criteria for evaluating investment opportunities, which it calls the “four corners of underwriting” an investment. Digital Bridge believes that it is extremely important to conduct due diligence on these four areas to the extent applicable for an investment to be successful over the long-term in the Digital Infrastructure sector.
  - a. **Market Dynamics.** Digital Bridge is focused on stable markets with catalysts for near-term Digital Infrastructure investment and downside protection for asset owners.

- b. **Platform Potential/Management Team.** Digital Bridge emphasizes buy and build strategies with initial investments used as a platform to drive growth both organically and through acquisitions.
  - c. **Asset Quality and Location.** Digital Bridge analyzes the uniqueness of the asset and prefers to focus on hard-to-replicate assets.
  - d. **Contract and Credit Quality.** Digital Bridge focuses on the duration and structure of customer agreements and the credit quality of customers.
3. **Flexible Transaction Structuring.** Digital Bridge has employed a variety of investment formats and structures to seek to achieve attractive risk-adjusted returns.
  4. **Active Management of Portfolio Companies.** Management personnel of Digital Bridge actively manage Portfolio Companies through participation on the board of directors of SPVs and pursuant to the business services agreements, as they are operationally focused and have extensive experience having founded, operated and successfully exited from multiple businesses in the Digital Infrastructure space.
  5. **Value-Added Involvement of Senior Advisers and Operating Partners.** Digital Bridge's principals have relationships with a group of Digital Infrastructure executives who serve as senior advisers or operating partners to Digital Bridge. With extensive industry knowledge and leadership experience, these advisors share subject matter expertise, evaluate market trends, and help identify strategic opportunities for Digital Bridge.

**Investing in Portfolio Companies, Digital Infrastructure, securities and other investment products involves risk of loss (including of principal) that existing and prospective Investors and Clients should be prepared to bear.**

### **Material Risks for Significant Investment Strategies**

The following is a discussion of certain material risks for Digital Bridge's investment strategies in Digital Infrastructure, but it does not purport to be a complete explanation of all the risks involved in its investment strategies.

**Nature of Investments Generally.** Investment in infrastructure assets involves many relatively unique and acute risks. Project revenues can be affected by a number of factors including economic and market conditions, political events, competition, regulation, and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets may adversely affect the overall profitability of an investment or related project. Events such as political action, governmental regulation, demographic changes, economic growth, government macroeconomic policies, political events, social stability, natural disasters, changes in demand for products or services, bankruptcy, or financial difficulty of a major customer and acts of war or terrorism, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring Digital Infrastructure. In turn, this may impair an investment's ability to repay debt or make distributions to its investors. As a general matter, the operation and maintenance of infrastructure assets or businesses involve various risks and are subject to substantial



regulation (as described herein), many of which may not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities.

**Leverage.** Use of borrowed funds to leverage acquisitions involves a high degree of financial risk and can exaggerate the effect of any increase or decrease in value of an investment and will increase the exposure of the investments to adverse economic factors, such as fluctuations in interest rates, downturns in the local economies in which the investments are located or deterioration in the condition of the investments. Accordingly, the use of leverage may cause a Digital Bridge Client's value to be more volatile than it would be in the absence of such leverage. In addition, to the extent a strategy employed on behalf of a Digital Bridge Client is dependent on leverage, the availability (or lack thereof) and cost of financing may significantly affect the ability of a Client to execute its investment strategy.

**Litigation.** In the ordinary course of business, Digital Bridge and its Portfolio Companies may be subject to litigation from time to time. The outcome of such proceedings may adversely affect the value of an investment and may continue without resolution for long periods of time.

In connection with such actions, the applicable Digital Bridge Client may be obligated to bear defense, settlement, and other costs (which may be in excess of insurance coverage therefor provided), and Digital Bridge may be entitled to indemnification under, and subject to the terms of, such Client's investment agreement and/or other agreements entered into by such Client or its Investors.

**Risky and Illiquid Investments.** Digital Infrastructure investments are generally risky and illiquid and there can be no assurance that Digital Bridge, any Client or its Investors will be able to realize on any such investment in a timely manner. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on the investment's resale by the applicable Digital Bridge Client. Additionally, investments may be particularly illiquid due to "lock-up periods" during which an investor may not sell its interests.

**Operational Risks.** Many investments are subject to operational risks – risks that the internal processes and systems designed to operate a business, property or other entity safely and efficiently are in some fashion inadequate or that the individuals tasked with managing such processes and systems fail to properly carry out their functions.

**Foreign Investments.** Digital Bridge and its Clients may invest in digital infrastructure assets located in foreign countries. Accordingly, the business and financial results of Clients could be adversely affected due to currency fluctuations, social or judicial instability, acts or threats of terrorism, changes in governmental policies or policies of central banks, expropriation, nationalization and/or confiscation of assets, price controls, fund transfer restrictions, capital controls, exchange rate controls, taxes, inadequate intellectual property protection, unfavorable political and diplomatic developments, changes in legislation or regulations and other additional international developments or restrictive actions. These risks are especially acute in emerging markets. As in the United States, many non-U.S. jurisdictions in which Digital Bridge Portfolio Companies may do business have been negatively impacted by recessionary conditions. Non-U.S. investments may also be subject to extensive regulation by various non-U.S. regulators, including governments, central banks and other regulatory bodies, in the jurisdictions in which those businesses operate.

**Undeveloped Infrastructure.** In certain countries where Digital Bridge and its Clients may invest, capital and advanced technology are significantly limited. Delays in local postal, transport, banking or communications systems could cause investors to lose rights, opportunities, entitlements or funds and expose such investors to currency fluctuations.

**Third Party and Co-Investment Risk.** Digital Bridge, its Clients or Investors may co-invest with third parties. These transactions potentially raise conflicts of interest. For example, a Client or Investor may co-invest with other market participants with which Digital Bridge, or an affiliate, has important business relationships, and such relationships could influence the decisions made by Digital Bridge with respect to the purchase or sale of an investment. Further, such third parties could have interests that may be contrary to such Clients' or Investors' investment objectives, or which may conflict with a Clients' or Investors' interest. There can be no assurance that the foregoing will not have an adverse impact on any Client's or Investor's ability to find, consummate and/or exit investments.

**Currency Rates.** Fluctuations in currency rates may adversely affect the ability of Digital Bridge and its Clients to successfully acquire non-U.S. assets and may also adversely affect the performance of investments in such assets. Because non-U.S. securities or other non-U.S. assets may be purchased with and payable in currencies of countries other than the U.S., the value of these assets measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. In addition to currency and exchange risks, these investments may be subject to additional risks relating to foreign political and regulatory risks, which may affect the liquidity of such investments. Additional risks include possibilities of instability of the local country's political and economic structures and less predictable means of dispute resolution and enforcement of local rights regarding investments.

Some countries in which Digital Bridge and its Client invest may employ managed exchange rate regimes which, in addition to other policies, may distort the results of, and returns on, the investments in such countries. Several countries, however, have been unable to sustain their exchange rates and have devalued their currency or shifted to floating exchange rate regimes. It is not possible to assess the degree to which individual currencies will be permanently affected, but significant depreciation of any particular currency may adversely impact the investments in the applicable country and/or returns from such investments.

**Lack of Sector Diversity.** Digital Bridge and/or its Clients invest in, and Digital Bridge manages investments predominantly in the Digital Infrastructure sector. This lack of diversification could result in greater losses than otherwise might be anticipated, as an investor be more susceptible to any single economic, political or regulatory occurrence and more volatile than a more diversified investment or investment strategy.

**Demand for Digital Infrastructure.** Digital Bridge and/or its Clients invest in, and Digital Bridge manages investments in businesses that are dependent on the demand for Digital Infrastructure and may be adversely affected by slowdown in such demand. For Digital Infrastructure, demand may be impacted by various factors that are primarily outside the control of Digital Bridge. Additionally, new technologies, including improvements in the efficiency, architecture, and design of wireless or cloud networks may also reduce current and/or anticipated demand for Digital Infrastructure.

**Demand for Wireless Infrastructure.** Digital Bridge and/or its Clients invest in, and Digital Bridge manages tower infrastructure companies, whose revenue is typically supported by rapidly increasing consumer consumption of mobile data and the subsequent requirements of mobile carriers for improved wireless coverage and capacity. These businesses may be adversely affected by any slowdown in such demand growth. Additionally, a reduction in carrier network investment may materially and adversely affect these businesses (including reducing demand for tenant additions, amendments to existing customer leases or network services). Demand for a tower's wireless infrastructure materially depends on the demand for antenna space from tower customers, which, in turn, depends on the demand for wireless coverage and capacity by their underlying customers. The willingness of tower customers to utilize wireless tower infrastructure, or renew or extend existing leases on the wireless tower infrastructure, is affected by numerous factors, including:

- Current and/or anticipated consumer demand for wireless coverage and capacity;
- Availability and/or capacity of the tower company's wireless infrastructure and/or associated land interests;
- Location of the tower company's wireless infrastructure;
- Financial condition of the tower company's customers, including their profitability and availability or cost of capital, their failure to perform on their obligations, their lack of liquidity, or their entry into bankruptcy proceedings;
- Willingness of tower company customers to maintain and/or increase network investment or to make changes in their capital allocation strategy;
- Availability and cost of FCC licensed spectrum for commercial use;
- Use of active or passive network sharing, roaming, joint development, and/or resale agreements by tower company customers;
- Mergers or consolidations between tower company customers that may lead to higher churn or lower leasing opportunities in the future;
- Availability and cost of power;
- Changes in, or the success of, the business models of customers;
- Government regulations, including local and/or state restrictions on the proliferation of wireless infrastructure;
- Cost of constructing wireless infrastructure;
- Technological changes, including those (i) affecting the number or type of wireless infrastructure needed to provide wireless connectivity to a given geographic area or that may otherwise serve as substitute and/or alternative to wireless tower infrastructure or (ii) that result in the obsolescence or decommission of certain existing wireless networks; and/or
- The tower company's ability to efficiently satisfy the customers' service requirements.

A slowdown in demand for wireless coverage and capacity and/or wireless tower infrastructure may negatively impact the growth of companies in which Digital Bridge invests or facilitates investments or otherwise have a material adverse effect on the returns thereto. If customers or potential customers of an applicable Digital Bridge Portfolio Company are unable to raise adequate capital to fund their business plans as a result of disruptions in the financial and credit markets or otherwise, they may reduce spending, which could adversely affect such investment's anticipated growth or the demand for such investment's wireless infrastructure or network services.

The amount, timing, and mix of an investment's customers' network investment is variable and can be significantly impacted by the matters described in these risk factors. Changes in carrier network investment is expected to affect the demand for an investment's wireless infrastructure. As a result, changes in carrier plans such as delays in the implementation of new systems, new technologies (including small cells), or plans to expand coverage or capacity may reduce demand for an investment's wireless infrastructure. Furthermore, the wireless industry could experience a slowdown or slowing growth rates as a result of numerous factors, including a reduction in consumer demand for wireless coverage or capacity or general economic conditions. There can be no assurance that weakness or uncertainty in the economic environment will not adversely affect the wireless industry, which may materially and adversely affect an investment's business, including by reducing demand for an investment's wireless infrastructure or network services. In addition, a slowdown may increase competition for site rental customers or network services. A wireless industry slowdown or a reduction in carrier network investment may materially and adversely affect a Digital Bridge investment.

**Failure to Retain Property Rights.** Digital Bridge and/or its Clients invest in mobile and internet infrastructure companies that hold certain rights to the land interests under towers and certain data center facilities. If Digital Bridge or a Client fails to retain rights to this mobile and internet infrastructure, including the land interests under towers or certain data center facilities, the investments may be adversely affected. The property interests on which some of the mobile and internet infrastructure will reside, including the land interests under towers and certain data center facilities, is expected to consist of leasehold and sub-leasehold interests, fee interests, easements, licenses, and rights-of-way. A loss of these interests may make it impossible to conduct business or generate revenue. For various reasons, Digital Bridge or a Client may not always have the ability to access, analyze, or verify all information regarding titles or other issues prior to purchasing mobile and internet infrastructure. Further, Digital Bridge may not be able to renew ground or facility leases on commercially viable terms. Digital Bridge's or a Client's ability to retain rights to the land interests on which its investment's towers reside, depends on Digital Bridge's or its Client's ability to purchase such land, including fee interests and perpetual easements, or renegotiate or extend the terms of the leases relating to such land. If Digital Bridge is unable to retain rights to the property interests on which a Client or investor's mobile and internet infrastructure resides, an investor may be adversely affected.

**Potential Liability from Radio Frequency Emissions.** If radio frequency emissions from wireless handsets or equipment on wireless infrastructure are demonstrated to cause negative health effects, potential future claims could adversely affect Digital Bridge's and a Client's investments. The potential connection between radio frequency emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years. In certain markets that Digital Bridge invests and facilitates investment, there have been specific emission limitations placed on individual tower sites. Digital Bridge cannot guarantee that claims relating to radio frequency emissions will not arise in the future or that the results of such studies will not be adverse to it. Public perception of possible health risks associated with cellular or other wireless connectivity services may slow or diminish the growth of wireless companies, including a Digital Bridge investment. In particular, negative public perception of, and regulations regarding, these perceived health risks may slow or diminish the market acceptance of wireless services. If a connection between radio frequency emissions and possible negative health effects were established, operations, costs, or revenues of investments Digital Bridge or a Client may be materially and adversely affected. Additionally, the returns from investments

may be adversely impacted if tower emission regulations are established or tightened in other markets. Digital Bridge does not currently maintain any insurance with respect to these matters.

**Technology Risk.** The infrastructure of data center businesses in which Digital Bridge and/or its Clients invest may become obsolete, and such investments may not be able to upgrade power and cooling systems cost effectively or at all. Data center infrastructure may become obsolete due to the development of new systems to deliver power to or eliminate heat in data center facilities. Additionally, data center infrastructure could become obsolete as a result of the development of new server technology that does not require the levels of critical load and heat removal that such facilities are designed to provide and could be run less expensively on a different platform. In addition, data center power and cooling systems are difficult and expensive to upgrade. Accordingly, data center companies may not be able to efficiently upgrade or change these systems to meet new demands without incurring significant costs, which could adversely impact business, financial condition and results of operations.

**Failure of Physical Infrastructure.** Digital Bridge and/or its Clients invest in, and Digital Bridge manages investments in businesses that depend on providing customers with highly reliable services. Any failure of the physical infrastructure or offerings of such investments may lead to significant costs and disruptions that could reduce the revenue of customers for such investments and harm the business reputation and financial results of these customers, which may impact the returns on such investments. The investment's assets are expected to be subject to failure from numerous factors including:

- Human error;
- Equipment failure;
- Physical, electronic and cyber security breaches;
- Fire, earthquake, hurricane, flood, tornado and other natural disasters;
- Extreme temperatures;
- Water damage;
- Fiber cuts;
- Power loss;
- Terrorist acts;
- Sabotage and vandalism; and
- Failure of business partners who provide network connectivity.

Problems at infrastructure assets, whether or not within Digital Bridge's control, could result in service interruptions or significant equipment damage. Furthermore, investments are likely to be dependent upon internet service providers, telecommunications carriers and other website operators in the Americas and elsewhere, some of which have experienced significant system failures and electrical outages in the past. If, for any reason, these providers fail to provide the required services, an investment's business, financial condition and results of operations could be materially and adversely impacted.

**Valuation Matters.** The fair value of all investments will be determined according to the governing documents of each Portfolio Company and with each Client. In most cases, there is no requirement to for Digital Bridge to deliver a fair market valuation. Accordingly, the carrying value of an investment may not reflect the price at which the investment can be sold in the market, and the difference between carrying value and the ultimate sales price can be material.

**Security Breaches.** Digital Bridge and/or its Clients invest in, and Digital Bridge manages investments in companies that may be vulnerable to security breaches that could adversely affect the operations, business, and reputation of such investments. Certain wireless infrastructure investments may be vulnerable to damage, disruptions, or shutdowns due to unauthorized access, computer viruses, cyber-attacks, and other security breaches. An attack attempt or security breach could potentially result in (i) interruption or cessation of certain services to customers, (ii) inability to meet expected levels of service, or (iii) data transmitted over customers' networks being compromised. Digital Bridge cannot guarantee that the security measures of its Portfolio Companies will not be circumvented, resulting in customer network failures or interruptions that could impact their respective customers' network availability and have a material adverse effect on business, financial condition, or operational results. Portfolio Companies may be required to expend significant resources to protect against or recover from such threats. If an actual or perceived breach of security occurs, the market perception of the effectiveness of that company's security measures could be harmed, which could result in lost customers.

## **ITEM 9 – DISCIPLINARY INFORMATION**

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There are no applicable legal or disciplinary events relating to Digital Bridge or our management persons.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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### **Other Registrations**

Digital Bridge and its management persons are not registered, or have an application pending to register, as a broker-dealer or registered representatives, respectively. Digital Bridge is further not registered, and does not have an application pending to register, with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA").

### **Other Material Relationships**

Digital Bridge Holdings, the parent of Digital Bridge Advisors, is owned by Colony Capital, a publicly-traded global investment firm and the parent company of CCIA, an SEC-registered investment adviser. CCIA and certain of its investment advisory affiliates (collectively, "CCIA Advisors") advise private investment funds and co-investment vehicles, as well as real estate investment trusts ("REITS") that are either traded on a national securities exchange or non-listed and sold through independent broker-dealer channels. The investment strategies of each of these investment vehicles are generally focused on making direct investments in real estate and real estate-related assets, debt and distressed debt investments and private growth-oriented companies. Although the CCIA Advisors are each separate and distinct companies with differing investment capabilities and functions, they work collaboratively with CCIA to provide advice and services to the private investment funds, co-investment vehicles and REITs they sponsor and advise. Colony Capital has a number of financial industry affiliations, including a majority ownership interest in Colony S2K Holdings, LLC, the parent of S2K Financial, LLC, an SEC-registered broker-dealer that facilitates wholesale distribution of investment vehicle interests on behalf of Colony Capital and the CCIA Advisors.

Digital Bridge had previously entered into a joint venture with Colony Capital for joint ownership and control of Digital Colony GP, LLC and Digital Colony Management. Following the Transaction, the Principal Equity Vehicle maintains an indirect ownership interest in Digital Colony GP, LLC, but control of such entity, and of Digital Colony Management, is now held by Colony Capital. Digital Colony GP, LLC serves as the general partner of the Digital Colony Fund and DCP Fund I Adviser, a subsidiary of Digital Colony Management, serves as investment adviser to the Digital Colony Fund. Colony Capital is a global real estate and investment management firm. Colony Capital has significant property holdings in the healthcare, industrial and hospitality sectors, opportunistic equity and debt investments and an embedded institutional and retail investment management business. Colony Capital manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, non-traded and traded real estate investment trusts and registered investment companies.

The Principal Equity Vehicle's indirect ownership of Digital Colony GP, LLC, and Colony Capital's ownership and control of Digital Colony GP, LLC and Digital Colony Management, creates situations where the interests of Digital Bridge, Digital Colony GP, LLC, Digital Colony Management, the Digital Colony Fund and its investments may conflict with the interests of the Portfolio Companies, Digital Bridge, its Clients, and the interests of Digital Bridge employees relating to potential equity incentives offered by Portfolio Companies. These conflicts are discussed in greater detail below.

**Allocation of Investment Opportunities.** Digital Bridge manages the Portfolio Companies and facilitates investment into particular Portfolio Companies by Investors through the Clients. In addition, the Investment Committee of Digital Colony GP, LLC, which is the general partner of the Digital Colony Fund is responsible for making all investment decisions on behalf of the Digital Colony Fund. The investment committee of Digital Colony GP, LLC, and the investment team of Digital Colony Management includes officers, directors and employees of Digital Bridge.

Digital Bridge may be presented with investment opportunities that fall within the investment objective of one or more Clients, and in such circumstances, Digital Bridge will determine the allocation of such opportunities in good faith, taking into account the contractual rights set forth in the governing documents of its Clients and the Digital Colony Fund and the relevant facts and circumstances without deliberately and inappropriately favoring any one Client or investor or prospective investor. Digital Bridge does not have discretion to make investments on behalf of its Clients outside of the Portfolio Companies. Further, Supervised Persons of Digital Bridge can only make investment decisions for the Digital Colony Fund as members of the investment committee of Digital Colony GP, LLC and in their capacity as members of the investment team of Digital Colony Management. In addition, Digital Bridge maintains contractual obligations with certain Portfolio Companies, Clients and their respective Investors regarding the allocation of investment opportunities.

Subject to its partnership agreement, the Digital Colony Fund will be allocated all Digital Infrastructure opportunities unless Digital Colony GP, LLC determines in good faith that a particular opportunity is most appropriate for a Portfolio Company, or if there is an existing contractual right held by or for the benefit of a Portfolio Company or SPV. Further, subject to the partnership agreement of the Digital Colony Fund and any of Digital Bridge's or the Principal Equity Vehicle's existing contractual obligations related to a Portfolio Company or an SPV, Digital Bridge is generally prohibited from making privately negotiated investments of a type that would be suitable for the Digital Colony Fund unless the Digital Colony Fund has first decided not to pursue such investment.

**Allocation of Time and Payments from Portfolio Companies.** Certain employees of Digital Bridge, including the principal owners thereof, are required by contract to devote a substantial majority of their business time to matters relating to the business and affairs of the Digital Colony Fund. Certain officers, directors and employees of Digital Bridge also provide services to Portfolio Companies in exchange for cash and/or equity compensation. In addition, as described above Digital Bridge and certain of its employees and officers provide services to Digital Colony GP, LLC and Digital Colony Management. While certain officers and employees of Digital Bridge will devote the time and services necessary for the conduct of Digital Bridge’s advisory business, these officers and employees may also spend their time on matters related to Colony Capital affiliates and unrelated to the Digital Bridge advisory business. The provision of such services by employees and officers of Digital Bridge creates a conflict of interest because they may detract from the business and affairs of Clients and/or Portfolio Companies of Digital Bridge. Digital Bridge mitigates this conflict of interest by disclosing it to Clients and investors and always seeking to act in a fair and equitable manner.

### **Other Financial Industry Activities or Affiliations**

Digital Bridge generally does not recommend or select other investment advisers for its Clients or Investors. The Principal Equity Vehicle receives indirect compensation through its interest in Digital Colony GP, LLC. As part of the Transaction, certain management personnel of Digital Bridge own equity in Colony Capital, which includes its investment adviser subsidiaries. Further, as part of a stock plan within his employment agreement with Colony Capital, Mr. Ganzi is entitled to receive compensation in connection with the performance of publicly-traded Colony Capital stock following the July 25, 2019 acquisition of Digital Bridge. However, aside from these relationships, Digital Bridge does not receive compensation directly or indirectly from other investment advisers and does not have other business relationships with other investment advisers.

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

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### **Code of Ethics and Personal Trading Policies**

Digital Bridge has adopted a Code of Ethics (the “Code”) that is designed to reinforce its commitment to ethical behavior. The Code applies to all of Digital Bridge’s Supervised Persons, as defined in the Firm’s Regulatory Compliance Manual (the “Compliance Manual”) and sets forth standards for business conduct and addresses Digital Bridge’s policies and procedures on topics including:

- Conflicts of interest
- Confidentiality
- Insider trading
- Personal trading
- Outside business activities
- Gifts and entertainment
- Pay to play / political contributions
- Whistleblowing
- Books and records (recordkeeping)

Among other things, the Code limits and monitors the personal trading activity of Digital Bridge’s



Supervised Persons. These limitations seek to further Digital Bridge's efforts to prevent Supervised Persons from personally benefiting from Digital Bridge's investment decisions for its Clients. Specifically, the Code requires Supervised Persons and certain members of their households to "pre-clear" certain personal securities transactions with Digital Bridge's Compliance Department prior to execution. Digital Bridge generally limits its Supervised Persons' participation in initial public offerings and requires consent from the Chief Compliance Officer in order to permit private placement investments. Additionally, Digital Bridge limits its Supervised Persons' ability to trade in the same securities at the same time that our Clients are trading in those securities. All Supervised Persons must provide Digital Bridge with a listing of their securities holdings, as well as transaction information for certain types of securities. These restrictions and requirements of the Code apply to all accounts over which a Supervised Persons has investment discretion, or in which they have a direct or indirect beneficial ownership interest, unless exempted. In addition, all Supervised Persons must complete certifications to confirm their holdings and to certify they have complied with the personal trading policy.

A copy of Digital Bridge's Code is available to Clients, Investors and prospective investors upon request.

### **Participation or Interest in Client Transactions and Associated Conflicts of Interest**

As discussed in "Item 4- Types of Advisory Services Offered", Digital Bridge facilitates and manages investments in Digital Infrastructure Portfolio Companies. In addition, the officers, directors and employees of Digital Bridge are members of the investment team of Digital Colony Management, which provides investment advice to the Digital Colony Fund. The Digital Colony Fund is structured as a limited partnership where an affiliate of Digital Bridge, Digital Colony GP, LLC, serves as the general partner and has made a capital commitment in the Digital Colony Fund. A portion of Digital Colony GP, LLC's capital commitment has been made by Digital Bridge (and assigned to the Principal Equity Vehicle) and/or certain members, employees, officers and senior advisors of Digital Bridge, which will be drawn down at the same time as the investors' commitments. Digital Colony GP, LLC's capital commitment is not subject to management fees and carried interest. Digital Colony GP, LLC is also permitted to form investment vehicles or accounts and offer limited partners of the Digital Colony Fund or third parties the opportunity to co-invest in particular investments of the Digital Colony Fund or any parallel vehicle if it determines that such allocation for co-investment is in the best interest of the Digital Colony Fund.

While the Principal Equity Vehicle has a direct financial interest in the Digital Colony Fund as a limited partner therein, an indirect financial interest in the Digital Colony Fund through Digital Colony GP, LLC, and Digital Bridge often invests with Clients in Portfolio Companies, Digital Bridge believes such interests are aligned with those of the Digital Colony Fund's investors because Digital Bridge commits capital and receives distributions on the same terms as the other investors.

### **Investments in Securities by Digital Bridge and its Personnel**

Digital Bridge and its personnel may invest in the same or similar securities and investments as those recommended to, or entered into on behalf of, Clients and investors. All of Digital Bridge's personnel are subject to its policies and procedures regarding confidentiality of information and personal trading. Digital Bridge and its personnel generally make investments on the same or similar terms as investments entered into on behalf of Clients and investors; however, Digital Bridge and its personnel's investments are not

subject to management fees, and with respect to investments in the Digital Colony Fund, will not be subject to carried interest payments.

### **Trading Alongside by Adviser and its Personnel**

In certain circumstances, Digital Bridge or its related persons will co-invest in an investment or private fund alongside its Clients. Co-investments by Digital Bridge or its related persons generally require pre-approval from Digital Bridge's Chief Compliance Officer.

## **ITEM 12 – BROKERAGE PRACTICES**

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Digital Bridge invests primarily in private companies for itself and on behalf of its clients and therefore does not generally use the service of broker-dealers. It is possible, however, that Digital Bridge, its Investors or Clients may receive an in-kind distribution of a public security from a Portfolio Company.

Digital Bridge does not consider client referrals from brokers-dealers when selecting or recommending broker-dealers to execute any client transactions, nor does it receive any "soft dollar" benefits. Additionally, Digital Bridge does not have any directed brokerage practices.

## **ITEM 13 – REVIEW OF INVESTMENTS**

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### **Review of Accounts**

Digital Bridge reviews the SPVs it manages on behalf of Investors, as well as each Portfolio Company on a continuous basis. Such reviews are conducted by the investment team. These reviews are designed to monitor and analyze all aspects of each Portfolio Company.

### **Factors Triggering a Review**

Digital Bridge also performs reviews of its Portfolio Companies as appropriate based on, among other things, changes in market conditions or in response to a request by an Investor or Client for a meeting or the occurrence of such meeting.

### **Investor Reports**

Investors receive unaudited reports providing summary financial and other information on a quarterly basis. Depending on the SPV, such reports are prepared and delivered by either Digital Bridge or management of the particular Portfolio Company. Digital Bridge may provide certain Investors with information on a more frequent and detailed basis if agreed to by Digital Bridge.

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

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### **Other Compensation**

As discussed above in Item 5, Digital Bridge has entered into business services agreements where Digital Bridge provides Portfolio Companies with certain operational or administrative support services in exchange for a flat monthly fee. The receipt of such compensation creates a conflict of interest in that Digital Bridge has a financial incentive related to the compensation it receives from investments held by its Clients. Digital Bridge mitigates this conflict of interest by disclosing such service arrangements to Clients and investors and always seeking to act in the best interest of its Clients. Additionally, the provision of such services is designed to contribute to the operation of, and enhance the value of, the particular Portfolio Company.

In addition, certain officers, directors and employees of Digital Bridge provide services to Portfolio Companies in exchange for cash and/or equity compensation. The receipt of such compensation creates a conflict of interest in that such Digital Bridge personnel have a financial incentive related to the compensation received from investments held by Digital Bridge's Clients. Digital Bridge mitigates this conflict of interest by disclosing it to Clients and Investors and seeking to act in the best interest of its Clients and Investors. Additionally, the provision of such services is designed to contribute to the operation of, and enhance the value of, the particular Portfolio Company.

### **Compensation for Client Referrals**

Neither Digital Bridge nor any related person directly or indirectly compensates any person who is not a Supervised Person of Digital Bridge for client referrals.

## **ITEM 15 – CUSTODY**

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Digital Bridge is deemed to have custody of certain of its SPV Clients' assets in connection with its role as sponsor or member to such investment vehicles. Assets of such Clients are held in the name of the vehicle and are private, uncertificated securities recorded on the books of the issuer in the name of the Client. Digital Bridge intends to comply with the Custody Rule with respect to those Clients where Digital Bridge has determined it has custody by obtaining and distributing to respective Investors an annual audited financial statement prepared by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

## **ITEM 16 – INVESTMENT DISCRETION**

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Digital Bridge's investment authority is set forth in the organizational documents for each Client, and its level of discretion may be negotiated and agreed-upon on a case-by-case basis in applicable side letter agreements with Investors. As a general matter, Digital Bridge's investment discretion is limited to corporate management activities for the underlying Portfolio Companies. The majority of Clients either (i) have a board structure that is majority-comprised of outside directors and representatives of the Client's underlying Investors, or (ii) include "negative control" provisions in the governance documents. Consequently, Digital Bridge does not have discretion to independently make an investment on behalf of those Clients without obtaining the approval of the boards of the Clients. However, there are certain legacy Clients without negative control provisions, and where Supervised Persons of Digital Bridge comprise a majority of the directors. Digital Bridge therefore has corporate authority to implement its investment recommendations with respect to those vehicles.

With respect to the Digital Colony Fund, Supervised Persons of Digital Bridge can only make investment decisions as members of the investment committee of Digital Colony GP, LLC and the investment team of Digital Colony Management.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

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Digital Bridge does not maintain the authority to vote client securities. Because Portfolio Companies are generally privately held, Digital Bridge' investments are not likely to be subject to proxy vote; however, if proxy votes are applicable, Clients will receive their proxies or other solicitations directly from the respective Portfolio Company, to the extent applicable. Clients may contact Digital Bridge with questions about a particular solicitation.

#### **ITEM 18 – FINANCIAL INFORMATION**

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Digital Bridge Advisors, LLC is not aware of any financial condition that impairs its ability to meet our contractual and fiduciary commitments to clients, and Digital Bridge Advisors, LLC has not been the subject of a bankruptcy proceeding. Digital Bridge Advisors, LLC requires prepayment of advisory fees from Investors in connection with the advisory services it provides to Clients. As such, a copy of the most recent audited Statement of Financial Condition for Digital Bridge Advisors, LLC is enclosed below.