

# Dynamic Beta investments LLC

## Part 2A of Form ADV

### Item 1 Cover Page

12 East 49<sup>th</sup> Street, 18th Floor  
New York, NY 10017  
(646) 837-7030

March 31, 2022

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

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

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

**Important Note:** In this Brochure, private funds, advised accounts and sub-advised accounts, as well as any potential future funds or accounts managed, advised or sub-advised by DBi, are herein referred to as “Clients” and investors who invest in Clients are referred to as “investors”. Investors are not Clients of DBi. This Brochure may be provided to current or prospective investors, along with such Client’s offering and governing documents, prior to or in connect with such person’s consideration of an investment in a Client. This Brochure may also subsequently be provided in DBi’s discretion, annually, or at the request of an investor. Investors and other recipients should be aware that while this Brochure includes information about a Client, it is not a complete description of the terms, risks or conflicts associated with an investment in a Client. All information provided herein is as of December 31, 2021, unless specifically indicated otherwise. More complete information about each Client is included in such Client’s offering and governing documents, which may be provided to current and eligible prospective investors only by DBi or another authorized party. In the event of any inconsistency between the offering and governing documents of a Client and this Brochure, the offering and governing documents shall control. In no event should this Brochure be considered to be an offer of interests in a Client or relied upon in determining to invest. It is also not an offer of, or an agreement to provide, advisory or sub-advisory services directly to any recipient. Rather, this Brochure is designed solely to provide information about DBi for the purpose of compliance with certain obligations under the Investment Advisers Act of 1940, as amended, (the “Advisers Act”) and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in each Client’s offering and governing documents. DBi will only provide the offering and governing documents to those it reasonably believes to be qualified to invest as defined by the Advisers Act, and DBi has the ability to limit and restrict the investors from whom it will accept investments in the Clients in its sole discretion.

## **Item 2 Material Changes**

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

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

Material changes in this Annual Amendment include the following:

Item 4 has been updated to reflect that the iMGP DBI Managed Futures Strategy Exchange Traded Fund and the iMGP DBI Hedge Strategy ETF are now individual series of the Litman Gregory Funds Trust.

## Item 3 Table of Contents

Item 1 Cover Page .....	1
Item 2 Material Changes .....	3
Item 3 Table of Contents .....	4
Item 4 Advisory Business.....	5
Item 5 Fees and Compensation.....	7
Item 6 Performance Based Fees and Side-by-Side Management.....	8
Item 7 Types of Clients .....	9
Item 8 Methods of Analysis Investment Strategies and Risk of Loss .....	10
Item 9 Disciplinary Information .....	13
Item 10 Other Financial Industry Activities and Affiliations.....	14
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	15
Item 12 Brokerage Practices .....	16
Item 13 Review of Accounts .....	16
Item 14 Client Referrals and Other Compensation .....	17
Item 15 Custody .....	18
Item 16 Investment Discretion .....	19
Item 17 Voting Client Securities .....	20
Item 18 Financial Information.....	21

## **Item 4 Advisory Business**

DBi, a Delaware limited liability corporation, was founded in 2012 and became a registered investment adviser with the SEC on September 4, 2012 and became a registered commodity pool adviser (“CPO”) and commodity trading adviser (“CTA”) with the National Futures Association on August 22, 2012. DBi is owned by Beachhead Capital Holdings LLC (“BCH”), Sasco Holdings, LLC (“Sasco”) and iM Square Holding 4 LLC. BCH is owned by Andrew Beer and Mathias Mamou-Mani. Sasco is owned by Eleanor Beer. iM Square Holding 4 LLC is a wholly-owned subsidiary of iM Square SAS, a French company in which Legendre Holding 36 is the principal owner. The principal owner of Legendre Holding 36 is Eurazeo SE, a listed company based in France. iM Global Partner SAS (“iMGP”) is a French Management company regulated by AMF fully owned by iM Square SAS also fund manager of iM Square SAS. Andrew Beer and Mathias Mamou-Mani are the Managing Members of DBi and are both members of the DBi Board, while an iMGP representative holds the third seat of the DBi Board.

### **Description of Advisory Services**

Generally, DBi serves as the investment adviser or sub-adviser on a discretionary basis to its pooled investment vehicles, including 3(c)(7) private funds, registered investment companies, UCITs and SICAVs, as set forth below.

DBi serves as the sole sub-adviser to the SEI Liquid Alternative Fund (“SEILAF”), a sub-fund of the SEI Global Master Fund PLC, a multi-portfolio umbrella fund incorporated as a variable capital limited liability investment company in Ireland, with segregated liability between sub-funds, on January 11, 1996 under registration number 243230 and authorized by the Central Bank of Ireland pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) (“UCITS”) Regulations 2011 (as may be amended).

DBi serves as the sole sub-adviser to the iMGP DBI Managed Futures Strategy Exchange Traded Fund (“DBMF”), which is a non-diversified series of the Litman Gregory Funds Trust (the “Trust”), an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). DBMF may allocate up to 20% of its total assets in its wholly owned subsidiary, iM DBi Cayman Managed Futures Subsidiary (the “Cayman Subsidiary”), organized under the laws of the Cayman Islands on February 27, 2019 and is advised by DBi and which complies wholly with DBMF’s investment objectives and investment policies.

DBi also serves as the sole sub-adviser to the iMGP DBI Hedge Strategy Exchange Traded Fund (“DBEH”), which is a non-diversified series of the Trust.

DBi serves as the sole sub-adviser to the iMGP Stable Return Fund, which is managed by iM Global Partner Asset Management S.A., and is incorporated under the laws of the Grand-Duchy of Luxembourg as a societe, d’investissement a capital variable (“SICAV”), established as an “umbrella fund”. The iMGP Stable Return Fund is registered on the official lists of UCITS pursuant to the provisions of part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time, and therefore qualifies as UCITS under the UCITS Directive

DBi is the adviser to the DBi Liquid Alternative Fund, Ltd. (“DBiLAF”), a 3(c)(7) private fund incorporated under the laws of the Cayman Islands on February 18, 2020.

DBi is the adviser to the DBi-M60 Growth Fund, L.P., (the “Growth Fund”) a 3(c)(7) private fund, formed as a Delaware Limited Partnership on August 11, 2020 and accepting initial subscriptions on February 1, 2021., DBi/Madison Sixty LLC, a Delaware limited liability corporation, serves as the General Partner of the Growth Fund. The General Partner is a joint venture between DBi, management of the investment activities, and Madison Sixty, LLC, providing sales, distribution and investor relations.

Generally, DBi has full discretionary authority with respect to investment decisions on behalf of its Clients, and its advice to the Clients is made in accordance with the investment objectives and guidelines as set forth in their respective governing documents, registration statements and/or offering memoranda.

As of December 31, 2021, DBi’s regulatory assets under management were approximately \$720,355,272 on a discretionary basis.

## **Item 5 Fees and Compensation**

The specific fees applicable to each Client are set forth and detailed in each Client's respective offering documents. Generally, DBi receives management fees from the Clients which are based upon the percentage of assets under management. The compensation method is explained and agreed with the Clients in advance, before any services are rendered. The fees charged to the Clients are calculated daily or monthly in arrears, depending on the governing documents and offering memoranda of the particular Client, and are based on the net or gross assets.

A Client agreement may be terminated at any time, by either party, for any reason, upon receipt of a written notice, and in accordance with the particular terms of the Client agreements. All fees paid to DBi are separate and distinct from the fees and expenses charged to Clients, including, but not limited to, organization costs, margin costs, options premiums, brokerage commissions, applicable exchange or clearing fees, expenses related to buying and selling securities, including any issue or transfer taxes, fees and expenses of any custodian, escrow agent or other investment related service provider of the Client, other transaction costs, NFA fees, and all taxes and corporate fees payable to governments or agencies, pursuant to each particular Client's governing documents and offering memoranda.

## **Item 6 Performance Based Fees and Side-by-Side Management**

Currently, DBi does not charge performance-based fees to its Clients. Performance-based fees are those based on a share of capital gains on, or capital appreciation of, the assets of a Client. An adviser charging performance-based fees to some accounts faces a variety of conflicts because the adviser can potentially receive greater fees from its accounts having a performance-based compensation structure than from those accounts it charges a fee unrelated to performance (e.g., an asset-based fee). While DBi's current mandates with its Clients do not allow for compensation through performance-based fees, that could change with future mandates.



## **Item 7 Types of Clients**

DBi provides either investment advisory or sub-advisory services to the following groups of Clients:

- Private investment companies that are exempt from registration under Section 3(c)(7) of the Investment Company Act. Interests in the Clients are offered to qualified investors in the U.S. and elsewhere on a private placement basis. Such investors may include financial institutions, individuals, investment companies or partnerships, trusts, family offices, endowments, pension funds, and others; and
- Registered Investment Companies (“RICs”) under the Investment Company Act for which DBi serves as a sub-adviser.
- Non-U.S. funds including UCITs and SICAVs.

## Item 8 Methods of Analysis Investment Strategies and Risk of Loss

*The description set forth below of specific or general advisory services that DBi offers to Clients, and investment strategies pursued, should not be understood to limit in any way, DBi's investment activities. DBi may offer any advisory or sub-advisory services, engage in any investment strategy, and make any investment, including any not described in this Brochure, that DBi considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies are speculative and entail substantial risks. Clients (and therefore, investors) should be prepared to bear a loss of capital. No guarantee or representation is made that the Clients' investment strategies will be successful.*

Clients are managed in accordance with the investment objectives, guidelines and restrictions set forth in their respective governing documents and offering memoranda. A summary of the overall Company strategy and summaries of individual Clients are provided below (all summaries are qualified in their entirety by the actual terms and conditions set forth in each Client's respective offering documents).

Generally, across all Clients, DBi provides quantitative, factor-based replication strategies. DBi's investment program is based on the premise that 80-100% of pre-fee returns of hedge funds can be replicated with a dynamically adjusted portfolio of highly liquid futures contracts. The core philosophy is that dynamic asset allocation among broad asset classes is the principal driver of hedge fund alpha. DBi goal, then, is to outperform portfolios of hedge funds through fee disintermediation with shallower drawdowns, but with daily liquidity, lower fees and full position-level transparency. While trading frequency varies by Client, the portfolios typically trade weekly or monthly and as needed for rebalancing. Quantitative models determine Client portfolio composition and generate the requisite trades. The factors and instruments utilized by DBi may change over time in the discretion of the Company as investments and hedge fund industry behavior evolves.

The SEILAF seeks to provide long-term capital appreciation by attempting to match or exceed the returns of a diversified portfolio of alternative investment funds using liquid instruments in a low-cost and liquid UCITS structure offering full position-level transparency. The SEILAF consists of two portfolio sleeves, Multi-Strategy and Managed Futures.

DBEH seeks to replicate the pre-fee returns of 40 leading Equity Long/Short hedge funds in an ETF wrapper, attempting to match the core factor exposures of the target funds in a dynamically adjusted portfolio of liquid futures contracts.

DBMF seeks to replicate the pre-fee performance of 20 leading managed futures hedge funds, determining the core long and short exposures across equity, rates, currencies and commodities.

The iMGP Stable Return Fund sub fund attempts to provide long-term capital appreciation through a UCITS compliant strategy. Through factor-based replication, the sub fund consists of

three portfolio sleeves, Equity Hedge, Managed Futures and Cross-Asset Momentum (a variant of the Managed Futures strategy).

The DBiLAF consists of two sleeves, Multi-Strategy and Managed Futures. The Multi-Strategy seeks to replicate the pre-fee performance of the 50 of the largest hedge funds in the Equity Hedge, Relative Value and Event driven categories, while the Managed Futures seeks to replicate the pre-fee performance of 20 leading managed futures hedge fund.

The Growth Fund seeks to generate the returns of a 2x levered hedge fund portfolio invested in both Equity Hedge and Managed Futures sleeves.

### **Material, Significant or Unusual Risks Relating to Investment Strategies**

*The following risk factors should not be construed to be a complete list or explanation of the risks involved in an investment in the Clients advised or sub-advised by DBi. These risk factors include only those risks believed by DBi to be material, significant or unusual and relate to particular investment strategies or methods of analysis employed by DBi.*

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

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

**Commodity Risk** A principal risk in commodity trading is the traditional volatility (rapid fluctuation) in the market prices of commodities. Because of the low margin deposits typically required in commodity contract trading, a relatively small movement in the market price of a commodity contract may result in a disproportionately large profit or loss. DBi may direct speculative purchases and sales of securities and commodity interests for the Clients in accordance with its trading methods and strategies. Because speculative trading presents the risk of substantial losses, only investors with the ability to absorb such losses should consider participating in a privately offered pooled investment vehicle using this strategy.

**Cybersecurity Risk** The Company, the Clients and their service providers are susceptible to cybersecurity risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that Company, the s and their service providers use to service the Clients' operations; or operational disruption or failures in the physical infrastructure or operating systems that support Company, the Clients and their service providers. Cyber-attacks against or security breakdowns of Company, the Clients or their service providers may adversely impact the Clients and their investors, potentially resulting in, among other things, (i) financial losses; (ii) the inability of the Company, the Clients

to transact business; (iii) the Clients to process transactions; (iv) violations of applicable privacy and other laws; and (v) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs and/or additional compliance costs. The Company and the Clients may incur additional costs for cyber security risk management and remediation purposes. In addition, cybersecurity risks may also impact issuers of securities in which the Clients invest, which may cause a Client's investment in such issuers to lose value. There can be no assurance that the Company, the Clients or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

**Service Provider Risk** DBi and its Clients are also dependent upon their counterparties and other businesses that are not controlled by DBi that provide services to the Clients. Examples of service providers include the administrator, custodian, executing brokers, legal counsel and auditors. Errors are inherent in the business and operations of any business, and although DBi will and has adopted measures to prevent and detect errors by, and misconduct of, counterparties and services providers, and transact with counterparties and service providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Client and the investors' investments therein.

**Key Man Risk** Investors in Clients have no authority to make decisions on behalf of the Client. The success of the Client depends upon the ability of key members of DBi's investment team to develop and implement investment strategies that achieve the Client's investment objectives. If the Client were to lose of the services of these members, the consequence to the Client could be material and adverse and could lead to the premature termination of the Client.

**Futures Market Risk** Clients typically engage in futures transactions. Futures contracts are usually traded on a futures exchange which calls for the future delivery of a specified "commodity" at a specified time and place. These contractual obligations, depend on whether one is a buyer or seller, may be satisfied by making an offsetting sale or purchase of an equivalent futures contract on the same exchange prior to the end of the trading in the contract month. It is DBi's policy not to hold long or short positions to the date of delivery, but to trade or "roll" out of any contract nearing expiration. Futures prices are highly volatile. Financial instrument and foreign currency futures prices are influenced, by, among other things, interest rates, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency devaluations and revaluations. Because low margin deposits are normally required, a high degree of leverage is obtainable in futures trading. A relatively small price movement in a futures contract, consequently, may result in large losses.

**COVID-19 Risk** In December of 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID-19, began to surface. The disease spread around the world, causing temporary and extended closure of many corporate offices, retail stores and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and "shelter in place" or similar policies by numerous companies and national and local governments. These actions caused the disruption of manufacturing supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. The short-term and long-term impact of COVID-19 on the operations of DBi and the performance of the Clients are difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of the Clients.

## **Item 9 Disciplinary Information**

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of DBi's advisory or sub-advisory business, personnel, or the integrity of DBi's management.

## **Item 10 Other Financial Industry Activities and Affiliations**

DBi is currently registered with the CFTC and is a member of the NFA as a commodity pool operator and a commodity trading adviser. In connection therewith, certain personnel of DBi are also listed as principals and/or registered as associated persons of DBi.

DBi, its personnel and its affiliates, serve as investment advisers, sub-advisers, general partners or on the management committees to multiple Clients.

The General Partner of the Growth Fund is a joint venture between DBi and Madison Sixty, LLC, a private consulting firm incorporated in the state of Delaware. Per the IMA, DBi is the designated investment manager of the Growth Fund and is solely responsible for all investment and administrative decisions.

iMGP as a subsidiary of iM Square SAS is the advisor for DBEH, DBMF and the iMGP Stable Return Fund and a representative from iMGP holds a DBi Board seat.

Sasco is a minority owner of DBi and is a private investment company that invests, through capital contributions and/or loans, in asset management companies. Sasco does not participate in the investment, management or operational decisions of DBi, nor is there overlap of any personnel responsibilities.

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

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

DBi strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honest and trust. In seeking to meet these standards, DBi has adopted a Code of Ethics. The Code of Ethics incorporates the following general principles that all employees are expected to uphold:

- Employees must at all times act in the best interests of the Clients;
- All personnel securities transactions must comply with all applicable laws, rules and regulations of the countries in which DBi operates or invests and any actual or potential conflicts of interest must be avoided;
- Requiring the disclosure of certain gifts or entertainment from certain third-parties; and
- Requiring that all Client and Investor information is kept confidential.

Clients may request a copy of the Code of Ethics by contacting DBi at the address, email address or telephone number listed on the cover page of this Brochure.

The Code of Ethics expresses the Company's commitment to ethical conduct and personal securities trading, amongst other practices. It also includes the Company's policy prohibiting the use of material non-public information. While DBi does not believe that it has any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

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

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

## **Item 12 Brokerage Practices**

DBi does not have any soft dollar arrangements, nor does it expect to engage in soft dollar transactions, however, if it were to, it would only do so within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

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

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

## **Item 13 Review of Accounts**

DBi continuously performs reviews of each Clients portfolio. Such reviews are conducted by personnel of DBi's trading, operations and compliance staff in addition to similar reviews conducted by each Clients administrator or custodian.

Investors in the advisory vehicles receive daily, weekly, monthly or ad hoc performance estimates and/or investment information depending on the frequency and type specified in their offering documents, though DBi may provide certain investors with information on a more frequent and detailed basis if agreed to by DBi. Reports are created by DBi and the third-party administrators utilized by the Clients. In addition, DBi issues investor tax reports and audited financial statements within 90-120 days of the end of the Clients fiscal year.



## **Item 14 Client Referrals and Other Compensation**

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

The General Partner of the Growth Fund has retained J. Alden Associates, Inc, a Delaware corporation and an SEC registered and FINRA member broker dealer (“Alden”), as exclusive master placement agent. Compensation to Alden is a fixed percentage paid out of the management fee received by the investment manager.

DBi will review all such transactions for potential conflicts of interest to ensure that such investments are in the best interest of its Clients. The Company has noted no such conflicts at this time.

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

## **Item 15 Custody**

All Client assets are held in custody by unaffiliated qualified broker/dealers, custodians or banks.

DBi is deemed to have custody of investors' assets of the 3(c)(7) funds (DBiLAF and the Growth Fund) pursuant to the Advisers Act, as a result of the fact its related person serves as the General Partner of the funds and has the authority and ability to deduct advisory fees and securities directly from client accounts. To mitigate any potential conflicts of interest due to this arrangement, the funds' assets are maintained with an independent unaffiliated qualified bank custodian.

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

## **Item 16 Investment Discretion**

Generally, DBi has discretionary authority to manage the securities portfolios of certain Clients pursuant to investment management agreements.

DBi's discretionary authority is generally subject to restrictions as set forth in each Client's offering documents and governing documents and any applicable regulations.

## **Item 17 Voting Client Securities**

Due to the nature of its investment activities, DBi will seldom, if ever, be called upon to vote Client proxies. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Where applicable, the Company will vote any proxies in accordance with its fiduciary duty to its Clients. DBi will generally seek to vote proxies in a way that maximizes the value of each Client's assets. Clients may obtain a copy of DBi's proxy voting policies or a record of its proxy votes, if applicable, free of charge by calling 646-837-7030 or by writing to DBi at the address listed on Page 1.

## **Item 18 Financial Information**

DBi has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.