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SEC No: 801-60039 CRD No. 110242

Denali is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training. This brochure provides information about the qualifications and business practices of Denali Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 858-558-3600, or by email at dlamb@denaliadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Denali Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

October 4, 2024

Item 2: Material Changes

Material Changes since the Last Update

Since our last amendment filed on April 15, 2024, the following material changes have occurred:

- McKinley Capital is filing an ADV-W and will no longer be an SEC independently registered investment adviser.
- This ADV filing is a combination of both companies. Every section also integrates the information previously filed under McKinley Capital's Form ADV No. 801-38751, CRD 106173. Please read each section carefully for additional former McKinley Capital information. Item 2 Material Changes is not meant to be provided separately from the entire Form ADV Part 2A content due to this reason.

Full Brochure Availability

The Firm Brochure for Denali Advisors, LLC is available by
contacting:

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Denali Advisors, LLC
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Item 4: Advisory Business

Firm Description

Denali Advisors, LLC (“Denali”) is a majority employee-owned, quantitative-based, institutional investment management firm, and the largest institutional Native American-owned asset management firm in the country. Specializing in U.S. value and growth equities, Denali was founded in 2001 by our principal owner Robert Snigaroff, an Alaskan Native of the Aleut Tribe, and Michael Munson, Senior Vice President.

Effective December 31, 2023, Denali acquired McKinley Capital Management, LLC (“McKinley Capital”) from McKinley Management, LLC in a stock transaction. McKinley Capital Management, LLC (“McKinley Capital”) was founded in 1990 by Robert B. Gillam and was registered as an investment adviser under the U.S. SEC Investment Advisers Act of 1940 (“Advisers Act”). McKinley Management, LLC, acquired a minority ownership interest in Denali. McKinley Capital, which specializes in growth equities, will file an ADV-W and has merged all its products, administration and operations under Denali.

The benefit to McKinley Capital and Denali is that the acquisition provides a path forward for growth and sustainability by adding assets under management, offering more investment products, and opening new business channels. Both “quant” style investment firms are focused on services and innovation, both have strong performance track records with long-term client relationships, both are employee-owned and operated, and both have roots in Alaska.

The investment strategies are complimentary with little overlap because Denali focuses on value investing while McKinley Capital’s management style is that of a growth and income-oriented manager.

Principal Owners

Mr. Snigaroff, President, and Michael Munson, Senior Vice President and Portfolio Manager are founding principal owners of Denali Advisors, LLC. Nile Capital Group has approximately 18% ownership interest in Denali. As part of this arrangement, Nile, through Melvin Lindsey, Managing Partner, provides consulting on employment, sales, marketing and growth opportunities. Nile does not have any additional compensation arrangements, other than equity distributions as part of the

ownership. Denali maintains its Minority Business Enterprise (“MBE”) investment manager status, independence, and autonomy. McKinley Management, LLC has approximately 11% ownership interest in Denali. Robert A. Gillam, Chief Executive Officer (“CEO”) of McKinley Management, LLC is also Chief Investment Officer of Global Equities for Denali.

Types of Advisory Services

Denali is an independent privately held global investment adviser with primary offices in San Diego, CA, Anchorage, AK, and Chicago, IL. Denali directs most of its resources to growth and value public investment related opportunities and will accommodate and customize portfolios that include multiple disciplines. It provides advisor and sub-advisory asset management services on a discretionary and nondiscretionary basis in accordance with the methods described in the Methods of Analysis, Investment Strategies and Risk of Loss section of this Brochure, primarily to institutional public, corporate, foundation and high net-worth clients. For more information on the types of clients that we provide advisory services to, please see *Types of Clients* in this Brochure. Denali develops an investment policy and creates or manages client portfolios based on client-specified guidelines and objectives. Denali offers diversified investment strategies that include but are not limited to U. S. Equities, Non-U.S. Equities, Global Core Equities, Emerging Markets Equities, and alternative strategies.

Denali offers the following domestic and international equity strategies: Denali Network Value Large, Denali Network Value Mid, Denali Network Value Small, Denali NV Developed Small ex N.A., and Denali Network Value SMID. In the growth category, the firm manages Denali Non-U.S. Growth, Denali Global Core Growth, Denali U.S. Large Cap Growth, Denali Small Growth, Denali Liquid Private Credit (a/k/a Business Development Company), Denali U.S. Equity Income, Denali Diversified Income and Middle East, Africa, South Asia (MEASA) Portfolios.

Tailored Relationships

Denali, within the scope of its quantitatively driven bottom-up equity process and products, will tailor its advisory services to customize investment disciplines in alignment with the individual needs of each institutional client. The firm has experience constructing portfolios with environmental, socially responsible and other governance driven client-imposed restrictions. Clients may impose restrictions on investing in certain securities, types of securities, countries, risk levels, and/or types of trading. Such restrictions must be submitted to Denali in writing. Due to the need for additional supervisory and portfolio management oversight requirements for such accounts, Denali generally limits customized portfolios and other tailored services to institutional accounts. Most non-institutional accounts are

managed according to Denali's established firm guidelines within the designated discipline. Commingled funds are available to all appropriately approved clients.

Assets under Management

As of July 31, 2024, combined assets were approximately \$1.2 billion of which \$4 million were non-discretionary.

Item 5: Fees and Compensation

Description

Denali is compensated for its services by collecting a fee that is a percentage of assets under management.

STANDARD FEE SCHEDULES FOR MANAGED ACCOUNTS:

The standard fee for asset management services is based upon a percentage of the client's assets under management. While fees are negotiable, they will generally not exceed 1% of the market value of the portfolio per year. The determination of the fees will be based on the type and size of the account as noted below:

	NV Large	NV Mid	NV Small	NV EM
First \$25 million	.55%	.75%	.80%	1.00%
Next \$25 million	.50%	.70%	.80%	1.00%
Next \$50 million	.45%	.65%	.80%	1.00%
Over \$100 million	.40%	.65%	.80%	1.00%

	NV Developed Small ex N.A.			NV SMID	
First \$25 million	1.00%			.75%	
Next \$25 million	1.00%			.70%	
Next \$50 million	1.00%			.65%	
Over \$100 million	1.00%			.65%	

The table above represents Denali's basic fee schedule for value equity portfolios. Denali retains the right to negotiate fees at our discretion. Denali may negotiate a higher or lower fee arrangement based on such factors as the number of portfolios managed for a client, and/or the level of service required by the client.

Denali will be developing additional investment approaches in the future. Clients with whom Denali works in developing such new investment approaches may be charged a lower fee. Similarly, a limited number of initial accounts using newer approaches may be charged a lower rate with regard to such accounts.

GLOBAL CORE GROWTH

On amounts up to \$200 million Cumulative Fee Schedule Institutional Separate Account	First	\$ 10,000,000	0.75%
	Next	\$ 15,000,000	0.65%
	Next	\$ 25,000,000	0.60%
	Next	\$100,000,000	0.50%
	Next	\$ 50,000,000	0.48%
On amounts \$200 million - \$900 million Cumulative Fee Schedule Institutional Separate Account	First	\$200,000,000	0.50%
	Next	\$100,000,000	0.45%
	Next	\$100,000,000	0.40%
	Next	\$100,000,000	0.35%
	Next	\$100,000,000	0.30%
	Next	\$100,000,000	0.25%
	Next	\$200,000,000	0.225%
On amounts not less than \$900 million Cumulative Fee Schedule Institutional Separate Account	First	\$900,000,000	0.35%
	Thereafter	*Negotiable	0.32%

Performance fees may be available above a stated base but must be negotiated and defined in writing in advance of the initial period. Depending on performance, actual fees may be higher or lower than amounts quoted here in any designated period.

U.S. EQUITY INCOME

Cumulative Fee Schedule Individual Separate Account	Minimum First	\$50,000 \$1,000,000	0.650%
	Thereafter		0.500%
Fee Schedule Institutional Separate Account	Minimum	\$10,000,000	0.500%
	Thereafter	*Negotiable	

U.S. LARGE CAP GROWTH / GLOBAL GROWTH ADR / NON-U.S. GROWTH ADR

Cumulative Fee Schedule Individual Separate Account	Minimum	\$100,000	0.75%
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All initial accounts or combined household accounts that deposit \$5 million or more may qualify for a negotiated rate. Accumulated assets under management as a result of market appreciation do not typically qualify for this negotiated rate. Clients must discuss this rate with their client services representative at the time of deposit.

U.S. LARGE CAP GROWTH

Cumulative Fee Schedule Institutional Separate Account	First	\$ 10,000,000	0.700%
	Next	\$ 15,000,000	0.600%
	Next	\$ 25,000,000	0.550%
	Next	\$100,000,000	0.500%
	Over	\$150,000,000	Negotiable

DENALI SMALL CAP GROWTH

Cumulative Fee Schedule Individual Separate Account	First	\$ 25,000,000	0.75%
	Next	\$ 25,000,000	0.70%
	Next	\$ 50,000,000	0.65%
	Over	\$100,000,000	0.65%

LIQUID PRIVATE CREDIT (BUSINESS DEVELOPMENT CORPORATION (BDC))

Cumulative Fee Schedule Individual Separate Account	Minimum First	\$25,000 \$1,000,000	0.750%
	Thereafter		0.50%

DIVERSIFIED INCOME

Cumulative Fee Schedule Individual Separate Account	Minimum First	\$250,000 \$1,000,000	0.65%
	Thereafter		0.50%
501(c)(3) Organizations Cumulative Fee Schedule Individual Separate Account (reduced fee is for Alaska domiciled 501(c)(3) clients only) *This plan option is currently closed to new investors.	Minimum	\$250,000	0.05%

MEASA

Individual Separate Account	Minimum	\$200,000,000	0.550%
	Thereafter	*Negotiable	

MEASA FUND – open only to qualified investors

Not all possible fee schedules are included herein. All fees are negotiable depending on services, investment disciplines and individual client customization. Individual AUM appreciation in any given account does not automatically grant the client a change in fee tier break. Clients should contact Denali for additional information on fee tier classifications.

Denali may act as a sub-adviser for various registered investment company funds. Fees vary depending on the level of assets managed and the products and services provided. Separate account fees do not necessarily apply to sub-advised relationships. Individual fund management fees are fully disclosed and are included with each fund's prospectus disclosure document.

Denali provides non-discretionary investment advisory services to several registered/non- registered investment funds. Fees vary depending on the level of assets and the products and services provided.

Institutional and individual account fees may not apply to non-discretionary investment advisory service relationships. Fees for these services may be higher or lower than those stated above.

Denali is the investment manager to the MEASA Fund OEIC and collects investment management and performance fees.

WRAP FEE PROGRAMS

Denali participates in wrap fee programs by providing portfolio management services. The firm manages wrap fee accounts in the same manner as it manages other individual accounts within the same discipline. The services and reporting packages are individually agreed upon with each wrap sponsor. Generally, wrap programs are considered to be directed brokerage accounts. Denali receives a portion of the wrap fee for its management services. Wrap investors should consult the individual wrap program sponsor for complete fee information. Generally, Denali will receive a percentage of the sponsor's overall management fee deducted from the client account. The sponsor will directly allocate fees to the firm from the client account. Clients investing in wrap products may pay a higher total management fee than other clients. The wrap sponsor should be consulted for specific terms. Denali will rely upon the wrap program's sponsor's client account suitability pre-clearance. Denali will not be responsible for individual suitability for wrap account investments as long as the investments comply with the product's guidelines and restrictions.

In addition, Denali markets its products and services to individuals and high net worth clients. Fee schedules for individuals are similar to wrap account arrangements, and not all products or services may be available. Precise client requirements and suitability factors may affect Denali's ability to provide any investment services.

Denali may, in limited circumstances, waive its management fees normally charged to an individual client account.

Denali offers its employees the ability to invest in several of its strategies at zero or reduced fees and expenses as part of its comprehensive compensation package.

Comparable services may be available from other investment managers at higher or lower fees for the same or similar investment services. Individuals should conduct adequate due diligence to determine which investment vehicles are the most beneficial to meet their short-term and long-term goals.

Denali will only engage in revenue sharing plans and/or solicitation/endorsement arrangements with

brokers, broker-dealers, custodians, consultants, auditors, similar business associations or third-party solicitation arrangements to the extent permissible by SEC regulation. There is currently one such program in effect with an institutional client.

Denali will, from time to time, initiate new customized strategies that it may discuss with institutional clients to gauge the level of interest. These products are back tested portfolios with no historical or current assets. Denali may introduce these concepts with the understanding that the fees will be negotiated and fully disclosed in advance of any contractual arrangements. Because these emulation strategies are not yet funded, no standard fee schedules are available.

Denali reserves the right to negotiate fees and minimum requirements for all accounts and all products. Fees may vary due to the circumstances of the client, including but not limited to, the existence of multiple accounts with Denali, custodial arrangements, client servicing requirements and investment products

Client requirements, such as compliance with investment restrictions or the use of designed securities universes, and facts and circumstances relating to accounts, may also result in different fee rates.

Fee Invoices

Management fees are assessed and invoiced in accordance with each individual agreement. Fees are typically compounded daily and rounded upward to the second decimal for the base period as detailed in the client agreement.

For growth-oriented portfolios, clients may be billed directly or indirectly via a third-party designee, custodian or consultant. In addition, fees will be invoiced or accrued monthly or quarterly in advance or in arrears as pre-defined in writing with the client. Clients may also designate in writing that the fees may be automatically debited from the stated custodial account. In such instances, Denali will send the invoice to the client's custodian and the custodian will debit the client account for the amount and forward it to Denali. Clients are advised to contact their custodians for monthly or quarterly statements which should include such fee payments. Certain individual clients may be invoiced in advance for periods up to but no longer than three months in advance (a calendar quarter in advance). A client agreement may be terminated at any time by mutual consent of the parties, or without such consent, by either party giving to the other thirty days written notice of termination (unless the investment advisory agreement specifically states otherwise). Termination of the agreement shall not, in any case, affect or preclude the consummation of any transactions initiated prior thereto. If the agreement is terminated, any unearned portion of the prepaid management fee will be refunded on a pro-rata basis from the date of closure to the client.

For value-oriented portfolios, fees are billed quarterly in arrears based on the average market value of the account's three preceding month end values (including cash and cash equivalents). Denali does not direct debit fees from clients' assets. The standard investment management agreement provides that it may be terminated by either party upon thirty days' written notice. Any earned, unpaid fees will be due and payable at the time the account is closed. When an account is opened other than at the beginning of a quarter, the market value of the account at inception is one of the valuations used and the fee is prorated for that quarter. Similarly, when the management for the account ends other than at the end of the quarter, the closing value of the termination date is one of the valuations used and the fee is prorated. In such a shorter billing period, less than three market valuations may be used in calculating the fee. Denali reserves the right to negotiate with the client other methods of determining the final account valuation method.

Accounting For Cash Flows

In order to streamline banking and accounting audit recordkeeping, Denali has implemented a process to write off any credits or debits under \$25 resulting from mid-quarter contributions, withdrawals, or account closures. Limiting the amount to \$25 or more will greatly reduce the need for additional invoicing, refund check tracking, costly follow up, and inconvenience to clients. Clients are responsible for all trading related commissions and similar fees and charges, custody and all other investment-related services and relationships not specifically included in the Denali agreement.

Other Fees

In connection with Denali's advisory services, clients may incur and are responsible for the fees and expenses charged by their custodians and imposed by broker-dealers. Such fees may include, but are not limited to, custodial fees, transaction costs, fees for duplicate statements and transaction confirmations, brokerage commissions, fees for electronic data feeds and reports. Please see the *Brokerage Practices* section for more information on how Denali selects the broker-dealers to be used for execution.

Clients contracting through external parties such as brokers or financial advisors must check with those entities in order to ensure that invoicing periods and manners of assessment are fully understood.

Denali is a General Partner of a private fund. Denali and/or any of its supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees & Side-by-Side Management

Denali engages in performance-based fee arrangements with certain registered funds, commingled funds and separate institutional client accounts, in accordance with Rule 205-3 under the Advisers Act. Performance-based fees are calculated based on a percentage of the capital appreciation of the assets in a fund or account. Performance fees vary but are typically 20% or less of assessed profits. These fees are specific to each strategy or discipline, may include hurdle rates or high-water marks, are paid in arrears according to the agreed upon terms and may be significantly higher or lower than asset-based fees. Denali engages in fee sharing arrangements with clients and currently has one such arrangement in place. Each arrangement is with a current client that funded a newly developed strategy in exchange for additional incentives related to that specific strategy. All agreements were carefully designed to ensure that there would be no conflict of interest with other current clients or strategies.

POTENTIAL FOR CONFLICT OF INTEREST

A performance-based fee arrangement creates an inherent conflict of interest for the investment adviser because of the potential for higher compensation for accounts that perform exceptionally well or at least better than asset-based fee accounts. For example, Denali may be perceived to have an incentive to direct potentially better investments and/or continually allocate favorable trades to performance-based fee accounts.

Denali recognizes that it must closely monitor such accounts to ensure that potential conflicts are adequately managed.

- All accounts within the discipline are managed in the same manner, and the same trading policies and procedures are applied.
- Accounts are reviewed by the Portfolio Management Team daily and dispersion between accounts within a discipline is monitored on a monthly basis. Material exceptions are brought to the attention of the Chief Investment Officer for further review.
- Portfolio Managers, working within a team structure, are required to act in the best interests of all clients regardless of the fee structure. Incentive-based compensation for performance-

based portfolios is only a small portion of the overall management compensation package.

- Trading-based policies and procedures are fairly and consistently applied across all accounts regardless of the fee structure. Except for specific cash flow considerations, trade allocations are usually a pre-determined percentage of a security's holdings in a block execution rather than entering orders based on individual client performance. On trade date plus 1, the Portfolio Management Team conducts portfolio and compliance reviews and immediately addresses any irregularities.

Potential conflicts will be addressed by the Compliance Department. Trading in a security might be temporarily halted to ensure against front running and insider trading.

Item 7: Types of Clients

Description

Denali provides investment advisory and sub-advisory services to institutional, individual and high net-worth investors. Since Denali's inception in 2001, (and 1990 in the case of former McKinley Capital clients) the firm has acquired substantial mandates from a diverse group of institutional clients, consisting primarily of foreign and U.S. domiciled corporate, state or municipal government and public retirement plans, sovereign wealth funds, foundations, charities, endowments, Taft Hartley, union, private investment funds, collective investment trust funds, partnerships, trusts, public and private education plans, registered and non-registered funds, sub-advisory relationships, Native American tribal entities and high net worth individuals.

While Denali has a greater number of individual high net-worth and wrap program clients, the majority of assets under management are for institutional accounts. The firm has a diverse array of client types and broad diversification among the top 10 clients.

Current Managed (Wrap) Programs include:

- Investnet Premier Asset Management Program
- Sponsored by Investnet Asset Management
- Robert W. Baird, Inc ("Baird")

Denali reserves the right to waive minimum investments for initial and on-going relationships. Not all products offer the exact same investment services.

Account Minimums

The suggested minimum investment level for institutional portfolios is \$5 million and individual accounts in the growth-oriented strategies are described below:

Product	Minimum
Large Cap Growth	\$100,000
Non-U.S. Growth ADR	\$100,000
Global Growth ADR	\$100,000
Small Cap Developed	\$250,000
U.S. Equity Income	\$ 50,000
Diversified Income	\$250,000
Liquid Private Credit (a/k/a Business Development Company)	\$25,000

Each individual wrap program clearly defines its minimums in the account documentation provided by the wrap sponsor.

Non-registered Commingled/Pooled Fund investments are available only to qualified investors and minimums range from \$250,000 to \$5 million depending on the investment.

Denali acts as the general partner for various limited liability partnerships. Investment limits and guidelines are included in the applicable offering memorandum. Please refer to Item 10 for details.

The account marketing minimum for value-oriented strategies is typically \$5 million for institutional accounts and \$250,000 for individuals.

The account minimum may be waived or reduced at Denali's discretion. This may affect overall and individual performance.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Denali uses security valuation computer models to forecast the relative performance and risk of different securities. These models assign rankings to various securities which are then combined into

portfolios using a risk model. Denali's professional staff evaluates risk exposures, expected transaction costs associated with model suggested portfolios, adjustments to model suggested portfolios, as well as improvements to the models themselves.

Denali uses data from various professional data service providers (including S&P IQ and Bloomberg) who collect data from annual reports, prospectuses, filings with the Securities and Exchange Commission as well as news, press releases, and pricing and other securities data from exchanges, to implement our strategies.

Investment Strategies

Value stocks can perform differently than other types of stocks and can continue to be undervalued (and overvalued) by the market for long periods of time. Although the strategy seeks to beat the index, this is not guaranteed, and the strategy may trail the index.

The Denali Network Value Large strategy, uses a pool of stocks (universe) which is 4500 of the largest US-based stocks. Through the use of our proprietary investment computer model, we narrow that set of stocks into a list that ranks, from most attractive stocks to least attractive stocks. Using that list, our portfolio management team then buys (and sells) stocks we feel are undervalued (and overvalued) in the general marketplace. The portfolios in the Network Value Large product hold less than 60 stocks and is measured against the Russell 1000 Value Index.

Denali Network Value Mid strategy, uses an initial investment universe of 3500 US-based stocks. Through the use of our proprietary investment computer model, we narrow that set of stocks into a list, from most attractive stocks to least attractive stocks. Using that list, our portfolio management team then buys (and sells) stocks we feel are undervalued (and overvalued) in the general marketplace. With the Network Value Mid strategy, we seek a weighted average market cap that is less than with our Network Value Large value strategy. The portfolios in the Network Value Mid strategy generally hold between 60-120 stocks and is benchmarked against the Russell Mid Cap Value Index.

Denali Network Value Small strategy, uses an initial investment universe of 4500 US-based stocks. Through the use of our proprietary investment computer model, we narrow that set of stocks into a list, from most attractive stocks to least attractive stocks. Using that list, our portfolio management team then buys (and sells) stocks we feel are undervalued (and overvalued) in the general marketplace. With the Network Value Small strategy, we seek a weighted average market cap that is less than with our Network Value Mid strategy. The portfolios in the Network Value Small strategy

generally hold between 80-120 stocks and is benchmarked against the Russell 2000 Value Index.

The Denali NV Developed Small ex North America strategy consists of fully discretionary portfolios that are designed to track the Denali Network Value International Small Index, as created by Denali using the MSCI EAFE Small Cap Index and adjusting the weights of securities. The portfolios in the NV EAFE Small strategy generally hold between 100-150 stocks and is benchmarked against the MSCI EAFE Small Cap Index.

The Denali Network Value SMID strategy consists of fully discretionary portfolios holding a mix of small and mid-cap stocks. Results are compared against the Russell 2500 Value Index and are intended to outperform that benchmark while maintaining similar sector, industry and security characteristics. The Network Value SMID portfolio construction is based on the analysis of earnings, liquidity and other characteristics of selected companies from the Russell 2500 index. The investment process selects stocks using Denali's proprietary Network Value forecast model that ranks stocks by earnings and illiquidity, in addition to the other factors that are used to forecast returns using additional independent models. The sector and industry characteristics of the NV Model are still similar to the Russell 2500 Value Index. The portfolios in the Network Value SMID strategy generally hold between 80-115 stocks and is benchmarked against the Russell 2500 Value Index.

The Denali investment philosophy for its growth-oriented investment strategies is founded on the basic tenets of Modern Portfolio Theory. We believe the value of an asset is directly related to its future growth prospects. We apply this core belief to companies whether global or U.S.; as well as industries, countries, and regions. Denali has more than 30 years (McKinley Capital originated most of the growth strategies beginning in 1990) of experience as a growth style manager using a disciplined process of quantitative analysis plus a human qualitative overlay to create traditional and custom strategies for client investment. Our investment methodology believes that excess market returns can be achieved through the construction and management of a diversified, fundamentally sound portfolio of inefficiently priced securities whose earnings growth rates are accelerating above market expectations. Our public investment style is based on growth acceleration and the Growth, Momentum, and Selection risk factor exposures.

In addition to common stock equivalent investing, the firm may also provide experienced clients with specialized investing in leveraged products, short selling, swaps, futures, options, initial and secondary public offerings, private placements, non-exchange traded instruments, master and limited partnerships, real estate investment trusts, dividend enhancement portfolios, and other customized management techniques. Denali also participates as a sub-advisor in various wrap fee programs and provides emulation or model portfolios to clients.

Denali's proprietary investment engines are highly adaptable. The firm believes in transparency and continually works with its clients so that they understand the nature of its investment models and the underlying data.

Current global and domestic growth strategies and strategy blends include but are not limited to:

1. Traditional Strategies

- a. U.S. Diversified Income. The objective of the Denali Diversified Income Portfolio is to provide clients with a diversified portfolio of equity and fixed income assets, while seeking to provide yield and long-term capital appreciation. Asset allocation can include equities, fixed income, commodities, alternatives, and cash
- b. U.S. Equity Income. The objective of the Denali U.S. Equity Income Portfolio is to provide clients exposure to stocks with dividend growth and sustainability, while seeking to provide an attractive yield and moderate capital appreciation.
- c. U.S. Large Cap Growth. The objective of the Denali Large Cap Growth Portfolio is to achieve "excess market returns" over a full market cycle of three (3) to five (5) years, relative to the portfolio's primary performance benchmark, the Russell 1000 Growth Index.
- d. Denali Small Growth strategy, consists of fully discretionary portfolios holding a mix of small cap growth stocks and intends to outperform the Russell 2000 Growth index over a full market cycle of three (3) to five (5) years..
- e. Liquid Private Credit a/k/a Business Development Company. The objective of the Denali Liquid Private Credit (a/k/a Business Development Company) Portfolio is to gain access to private credit markets through investing in Business Development Companies that provide a unique return opportunity and a significantly higher portfolio yield than that of the market for investors given their pass-through tax structure.
- f. Global Core Growth. The objective of the Denali Global Core Growth Portfolio is to achieve "excess market returns" over a full market cycle of three (3) to five (5) years, relative to the portfolio's primary performance benchmark, the MSCI All Country World Growth Index.
- g. Global Growth ADR. The objective of the Denali Global Growth Portfolio is to achieve "excess market returns" over a full market cycle of three (3) to five (5) years, relative to the portfolio's primary performance benchmark, the MSCI All Country World Growth Index.
- h. Non U.S. Growth ADR. The objective of the Denali Non-U.S. Growth Portfolio is to achieve "excess market returns" over a full market cycle of three (3) to five (5) years, relative to

the portfolio's primary performance benchmark, the MSCI All Country World ex U.S. Growth Index.2.Customized Strategies.

i. MEASA – Middle East, Africa, South Asia

The MEASA region forms a crescent of countries beginning with Bangladesh and India in the East, continuing through the Middle East and West Africa, and terminating with the South African nations. This grouping of countries has a long history of cultural, economic, and political advantages and achievements. However, institutional investors in most countries face significant barriers to effectively purchase stock at scale and in diversity from the region. Liquidity appears limited, and registration and custody arrangements are formidable. Currently, this strategy is offered as a fund, the Denali MEASA Fund OEIC Limited ("MEASA Fund OEIC").

Denali may perceive an untapped market or investment style that it will back test over a period of 10-20 years to create a quantitative model that provides sustainable and factual analysis of data over several market cycles to test the theory of the strategy. Once the strategy has been refined, the "Emulation Portfolio" may be discussed with certain institutional clients and Consultants and potentially provided to those clients. These back tested strategies are clearly disclosed as such, have no invested assets and have never traded in the marketplace. All Emulation Portfolio strategies carry additional investment risks that are fully disclosed prior to finalizing any investment agreement.

Denali may also provide nondiscretionary advice to clients. Such relationships may include timely growth equity research and trading information, emulation or model portfolios, and/or other assistance associated with existing or client specific products. Clients may wish to purchase the strategy but conduct the trading activity through another entity. These accounts are considered to be model accounts for internal recordkeeping and fee billing purposes. Denali does not control trading activity for such accounts. Executions and overall returns may be significantly different than that obtained for discretionary clients in the same or similar strategies. Information and services provided to model client portals are typically not concurrent with actively traded discretionary accounts. Please refer to Section 12 Brokerage Services for additional information.

Denali may, upon written agreement, maintain non-discretionary portfolios on behalf of institutional clients who wish to independently perform some but not all investment management and associated account services on their own. Clients may hire Denali to provide investment advisory industry related services such as monthly and quarterly portfolio analysis, proxy voting services, trading, settlement, and operations assistance, strategy or industry research, and other investment management related services as from time-to-time may arise and be mutually agreeable.

Denali invests in both value oriented and growth-oriented equity disciplines. The firm reserves the right

to invest in other financial instruments including but not limited to, warrants, rights, equity-linked instruments, corporate debt, commercial paper, certificates of deposit, municipal securities, investment company securities, U.S. government securities, futures, limited partnerships, registered and non-registered commingled funds, exchange traded funds, and public securities offerings if deemed applicable and consistent with the specific product's investment guidelines and protocol. If appropriate, Denali may also invest in commodities, derivatives listed and over-the-counter equities and related derivatives and swaps and other alternative investments.

Denali uses a proprietary quantitative based model screening process with a qualitative overlay to construct and manage firm disciplines and investment portfolios. Modern Portfolio Theory (MPT) is applied along with additional multi-factored processes to create the disciplines unique to Denali.

The Denali process is designed to capture excess returns (consistent with the idea that markets are inefficient) based on a combination of return/risk analysis that identifies securities that outperform the benchmark index and the misidentification of earnings acceleration potential. The focus is on relative rather than absolute rates of acceleration because the firm believes these are better predictors of future relative performance. Denali believes its philosophy will be successful versus the competition in large part because its process is systematic and therefore repeatable.

Investment decisions for traditional disciplines are based on the philosophy that excess market returns can be achieved through the construction and active management of a diversified, fundamentally sound portfolio of inefficiently priced common stocks whose earnings growth rates are accelerating above market expectations.

Denali uses a bottom-up growth approach to portfolio management. Attribution based on style and risk factors demonstrate consistently high exposure to growth factors such as earnings growth, stock selection and price momentum. Through the development of a proprietary model, the investment team constructs a nominated securities list by screening a large universe of investable securities. The investment team further investigates and narrows this list until they have a manageable group of select investments.

Investment Process: Quantitative

Quantitative analysis is a blend of economic, business and financial data combined to produce a universe of the most effective and efficient predictors of behavior or events through the use of tested calculations, statistical modeling and research. Denali's quantitative research modeling reduces a world of tens of thousands of possible investible securities to a more manageable universe of several thousands of value and growth-oriented stocks. This list is then further condensed based on performance criteria, earnings potential, growth rate, and other statistical economic and industry specific input.

The most important and distinctive factor contributing to our value-oriented performance is the

underappreciated significance of liquidity to stocks' valuation, and thus the role of change in liquidity in driving returns.

Denali's Network Value process which includes a focus on stocks with the combination of lower liquidity and higher earnings adds the greatest amount of value to our process; these stocks carry the potential for the Network Value portion of their valuation to increase with increasing liquidity. We focus on these stocks with our proprietary Network Value Index, which emphasizes stocks with this combination relative to their market cap weights. The Network Value Index is a foundational part of our investment process, and we use it as an optimization target in our portfolio construction, as well as in forecasting relative return.

Forecasted Earnings Acceleration and Stock Selection

Using proprietary quantitative models in its growth-oriented modeling, Denali systematically searches for and identifies signs of accelerating growth. Its initial universe consists of approximately 10,000 U.S. securities and 40,000 non-U.S. securities (the numbers of listed securities fluctuate over time, including growth and value securities from all capitalization categories in more than 100 countries. The primary model includes components of forecasted earnings acceleration and price momentum to identify common stocks that are inefficiently priced in the client's base currency relative to the market while adjusting for risk. The stock selection model components are lowly correlated and produce higher returns relative to risk.

Liquidity

The candidates are typically filtered and scrutinized for liquidity factors including, but not limited to the following: marginable securities only, initial minimum market capitalization equivalent to USD \$100 million (with the exception of micro-core companies that may have lower market caps), and buy-in positions not to exceed three times average daily trading volume. Given these constraints, it may take the traders several days to complete a trade.

Earnings

The firm's earnings model identifies securities with strong earnings growth acceleration. Denali searches for substantive reasons for continued acceleration in each security by reviewing forward estimates of earnings, cash flow, and/or revenue growth models, percent surprise, and superior characteristics of revisions. The focus is on relative forward growth as opposed to historical and absolute growth.

Investment Process: Qualitative

The qualitative review begins after the quantitative process has identified candidates for possible inclusion in the portfolio. The purpose of the qualitative analysis is to confirm that the earnings picture

revealed through the quantitative analysis is both reasonable and sustainable. New ideas are taken from the quantitative screening process but confirmed qualitatively. Qualitative analysis is more subjective than quantitative scoring and includes factors such as management experience, environmental, social and governance attitude of the firm's management.

Portfolio Management (PM) focuses their attention on the qualitative portion of the discipline, which involves a qualitative data check where PM compares data across multiple sources to ensure accuracy, reviews the forecast for consistency between periods and across securities, as well as 'street research' overview..

The final portfolio is a concentrated pool of securities providing diversification and risk control by systematic exposures such as issue, industry, sector, and country.

Research

Qualitative research is performed by the Investment team. Quantitative research and systems support the portfolio team by providing meaningful investment data linked to and coordinated from a wide variety of sources. Specific research is directed towards the application of financial database screening tools, proprietary models, and analyst earnings expectation analysis.

Research Technology

The list of technology sources includes but is not limited to Compustat, MSCI, Russell, ICE Data Services and Bloomberg for general and benchmark fundamental, liquidity, and index information. In addition, the firm employs numerous proprietary processes to compile and present data from various sources.

As a global investment manager, Denali trades on many exchanges for its clients. Separate account clients and managed funds must be registered in each country represented in the specific strategy.

Also see "Risk of Loss" section for additional risk disclosure. These are investments in equities and could lose money over short-term or even long-term time periods. We expect the portfolio returns to fluctuate across a wide range, like the fluctuations of the stock market.

Risk of Loss

Investing in securities involves a risk of loss that clients should be prepared to bear. An investment in equities could lose money over short-term or even long-term time periods. We expect the portfolio returns to fluctuate across a wide range, similar to the fluctuations of the stock market. Specifically, these are the types of risk to performance of equities:

- Stock market risk, which is the chance that stock prices in general will decline.
- Sector risk, which is the chance that we have a larger than benchmark weight in a sector and that sector under-performs the stock market in general.
- Stock selection risk, which is the chance that the securities we select within a sector underperform that sector.
- Country/regional risk, which is the chance that world events, including natural disasters, financial turmoil, or political change, will cause a decline in the value of securities issued by companies that operate in the U.S. and other countries.
- Investing in foreign stock markets involves additional risks including political, economic and currency exchange risks and differences in accounting methods.
- Liquidity risk. The inability to trade securities in certain strategies in volumes sufficient to cover the desired holdings without oppressively negatively affecting the stock price. Securities may have to be traded over a period of time which may adversely contribute to overall performance.
- Tax liability investing. Denali does not currently manage tax efficient portfolios and does not consider individual client tax consequences in its investment process. Depending on the client's profile, active trading may not align long term and short-term returns and result in increased tax liability. Denali will, however, assist a client to attain the desired portfolio outcome to the best of its abilities.
- Derivatives risk. The value of a derivative (futures and options) instrument depends largely on the value of the underlying security, currency, or other asset. In addition, the use of derivatives may include other, possibly greater, risks, including counterparty and liquidity risks. Even though the price of a derivative is expected to shadow the underlying instrument, it may deviate because it is a separately traded investment. Large positions can be highly leveraged which may require immediate cash coverage in volatile markets. Derivatives can create leverage risk because they do not require payment up front equal to the economic exposure created by owning the derivative. As a result, an adverse change in the value of the underlying asset could result in the strategy sustaining a loss that is substantially greater than the amount invested in the derivative. Derivative instruments may also be less liquid than more traditional investments and the strategy may be unable to sell or close out its derivative positions at a desirable time or price. This risk may be more acute under adverse market conditions and not provide the anticipated benefits. Derivatives may also be harder to value, less tax efficient and subject to increased government regulations. Denali only invests in security related derivatives that are traded on the open market, but liquidity is always a risk. Denali will only invest in derivatives for institutional clients who are knowledgeable and can bear such risks.
- Emerging Market Securities risks. Emerging markets are generally subject to greater market volatility, political, social and economic instability, uncertain trading markets and more governmental limitations on foreign investment than more developed markets. In addition,

emerging markets may be subject to more volatile trading and price fluctuations than companies in more developed markets. Investments in emerging markets securities may also be subject to additional transaction costs, delays in settlement procedures, and lack of timely information.

- Exchange Traded Funds risk. In addition to the risks associated with the underlying assets held by the exchange-traded fund, investments in exchange-traded funds are subject to the following additional risks: (1) an exchange-traded fund's shares may trade above or below its net asset value; (2) an active trading market for the exchange-traded fund's shares may not develop or be maintained; (3) trading an exchange-traded fund's shares may be halted by the listing exchange; (4) a passively managed exchange-traded fund may not track the performance of the reference asset; and (5) a passively managed exchange-traded fund may hold troubled securities. Investment in exchange-traded funds may involve duplication of management fees and certain other expenses, as the strategy indirectly bears its proportionate share of any expenses paid by the exchange-traded funds in which it invests. Further, certain exchange-traded funds in which the strategy may invest are leveraged, which may result in economic leverage, permitting the strategy to gain exposure that is greater than would be the case in an unlevered instrument and potentially resulting in greater volatility.
- Management risk. This is the risk that the investment adviser is unable to invest the client's assets, misjudge market conditions, or lack the necessary expertise to manage the portfolio in the agreed upon manner. In addition, due to liquidity reasons or restrictions, the portfolio manager or trader may be unable to adequately allocate trades to all clients in the same strategy. Some clients may benefit more than others if trades are executed across multiple days.
- Restrictions risk. Denali monitors compliance with the various investment limitations on a daily and weekly basis. Portfolio Managers ("PMs") check for compliance with applicable rules before a trade is submitted to the trading desk for execution. On a daily basis, the Compliance Department performs additional compliance testing. There is always a risk that a client or company related trading restriction will negatively affect the strategy's anticipated performance.
- Credit default risk. The risk of loss of principal due to the borrower's failure to repay the loan or risk of liquidity from the decline in the borrower's financial strength.
- Government Securities risk. Not all U.S. government securities are backed by the full faith and credit of the U.S. government. It is possible that the U.S. government would not provide financial support to certain of its agencies or instrumentalities if it is not required to do so by law. If a U.S. government agency or instrumentality defaults and the U.S. government does not stand behind the obligation, returns could be negatively impacted.
- Government Securities risk. The U.S. government guarantees payment of principal and timely payment of interest on certain U.S. government securities.
- Interest rate risk. Prices of fixed income securities tend to move inversely with changes in interest rates. As interest rates rise, bond prices typically fall and vice versa. The longer the effective maturity and duration of a strategy's portfolio, the more the performance of the investment is likely to react to

interest rates.

- Reinvestment risk. The risk that future cash flows, either coupons or the final return of principal, will need to be reinvested in lower-yielding securities.
- State risk. Portfolios with state or region-specific customizations will be more sensitive to the events that affect that state's economy and stability. Portfolios with a higher concentration of bonds in a state or region may have higher credit risk exposure, especially if the percentage of assets dedicated to the state is invested in fewer issuers.

An investment in these portfolios is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Performance will change over time and profitability is not guaranteed. There is always the risk of loss.

Item 9: Disciplinary Information

Denali and its management personnel are not currently, nor have they ever been a part of any legal disciplinary action.

Item 10: Other Financial Industry Activities and Affiliations

Material Relationships or Arrangements with Financial Industry

Denali has been retained by managers of managers to act as sub-adviser with respect to certain clients. These relationships do not create a material conflict of interest as client accounts obtained through this relationship are managed according to the investment strategies discussed in the Methods of Analysis, Investment Strategies and Risk of Loss section of this brochure and are subject to the standard fee schedule as described in the Fees and Compensation section of this brochure.

Effective December 31, 2023, Denali acquired McKinley Capital Management, LLC ("McKinley Capital"), an Anchorage, AK-based registered investment adviser from McKinley Management, LLC ("McKinley"). As part of the acquisition, McKinley acquired a 10.53% interest in Denali. McKinley Capital maintained its own registration as an investment adviser with the Securities and Exchange Commission until July 31, 2024. It will shortly file an ADV-W and has merged its business, strategies,

accounts and operations into Denali.

Michael Munson, SVP PM is a Principal in a SEC registered investment adviser, MYeCFO. The MYeCFO team designs, builds, and implements investment portfolios that focus on minimizing total fees and taxes while achieving the highest possible return per unit of risk. Mr. Munson is compensated for his activities and position at MYeCFO. His client base is directed toward tax efficient strategies for high-net-worth clients which does not compete with Denali's products.

Robert A. Gillam, Chief Executive Officer (CEO) of McKinley Management, LLC is Chief Investment Officer for Global Growth Strategies with Denali. As mentioned above, McKinley Management, LLC is an investor in Denali and Robert Gillam is a beneficiary to the assets of McKinley Management. McKinley Management does not manage client portfolios or handle client assets. Mr. Gillam is also CEO of McKinley Alaska Private Investment, LLC, which is an SEC registered investment adviser. That firm manages private investment portfolios and does not compete with Denali for business. Mr. Gillam is compensated for these positions. Denali shares office space with several McKinley Management, LLC companies, including McKinley Alaska Private Investment, LLC in Alaska.

Middle East Africa South Asia (MEASA)

Denali (formerly McKinley Capital) funded an investment strategy focused on the Middle East, Africa and South Asia ("MEASA") region in early 2018.

The MEASA Fund OEIC Limited ("MEASA Fund OEIC" or "Fund") is registered with the Financial Services and Markets Regulatory Authority ("FSMR") in the Abu Dhabi Global Market ("ADGM") as a Qualified Investor Fund and serves as the master investment vehicle to make and hold portfolio investments. The Fund is designed to offer qualified institutional investors a unique opportunity to access regional expertise, quantitative research, specialized portfolio management skills, and substantial capital investments across this distinctive but hard to access region, with significant idiosyncratic prospects as the capital markets expand. The Fund is domiciled in Abu Dhabi but available to qualifying investors in other regions and countries. The MEASA Fund OEIC has not registered as a public offering with the Securities and Exchange Commission. However, shares may be offered under Rule 506 of Regulation D safe harbor exemption to qualified purchasers and accredited investors.

Denali has entered into an Investment Management Agreement with the Fund and receives

investment management fees including performance fees for its services.

Investors access the MEASA Fund OEIC through a Cayman Islands Limited Partnership. The Denali MEASA Feeder GP Ltd (the “General Partner”), a Cayman Islands exempted limited company, was formed in the Spring of 2018 to serve as the General Partner to the Denali MEASA Feeder Fund L.P., a Cayman Islands exempted limited partnership (the “Cayman Islands Feeder” or “Feeder Fund”).

Currently, the Feeder Fund is the sole feeder fund to the MEASA Fund OEIC (the “MEASA Fund” or “Master Fund”). Each feeder fund organized by the Fund (including the Cayman Islands Feeder) will invest substantially all of its assets in the Master Fund.

The MEASA Fund is domiciled in Abu Dhabi, at: Office 4008, ADDAX Tower, City of Lights, Al Reem Island, Abu Dhabi, United Arab Emirates, but available to investors in other regions and countries. Investors are subject to qualified purchaser requirements and all conditions described in the Confidential Private Placement Memorandum.

Additional investors will not be offered revenue-sharing arrangements with the same terms as the client that provided the initial funding. Depending on the size and circumstances of any specific future investments, different revenue sharing arrangements may be offered to new investors. Shareholders in the MEASA Fund will not be charged for any such arrangements. Further information regarding the MEASA Fund and its fees and expenses are available upon request to prospective qualified investors.

Denali may opportunistically partner with other financial and business-related organizations to create, manage, promote and support new investment products and relationships. Such associations will align with Denali’s business and investment models and objectives. No conflicts of interest are anticipated, and the firm believes that any affiliations will not detract from or negatively impact operations or the investment process for current clients. Remuneration will depend on the financial and business structure of the liaison, but any fees shared or accrued to Denali will not compete with current investment management fees.

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

Code of Ethics

Code of Ethics and Personal Trading

Denali's primary responsibility has always been and will continue to be the protection of client assets.

Denali has adopted a Code of Ethics ("COE") for all employees and established policies and procedures to adequately address the firm's culture of high ethical standards and business conduct, the fiduciary duty owed to all clients and the rules governing personal trading, gifts and entertainment, political contributions, and outside activities. Compliance with the COE and all reporting requirements is mandatory.

As a best practice, all directors, officers and employees are required to act in a manner as would a "prudent person". That is, each individual owes every client the same standard of care, behavior, and consideration as a reasonable person would under the same or similar circumstances. Denali holds all personnel to high fiduciary standards. These include the requirement to: act solely in the interest of clients; make decisions and take such actions with the purpose of benefiting the clients; and only engage in activities that do not create an undue conflict of interest with clients.

In addition, access persons are subject to Personal Trading Policies and Procedures which include black-out periods and personal securities transactions pre-clearance. Each individual is required to certify at the time of hire, and annually thereafter that he/she has read, understands, and agrees to comply with all requirements and standards included in the COE.

As a global investment adviser, Denali is exposed to investing in and dealing with countries, firms, organizations, and/or individuals that may have terrorist or related ties. Therefore, Denali and all personnel must take extra precautions in order to fully comply with the U.S. Department of Homeland Security rules and regulations. All personnel are required to pass periodic personal background checks and to refrain from dealing or associating with any known or suspected terrorist country, organization, or individuals. In addition, Denali personnel may not engage in, or in any way assist in, any money laundering schemes, programs, or other similar activities with or on behalf of clients or themselves.

Employees are further prohibited from personally accepting or delivering investment assets to, for, or from the firm's clients.

Denali does not compete with client trading. Employees are not permitted to individually trade at the same time as client accounts. Personnel are prohibited from trading, either personally or on behalf of others, while in possession of material nonpublic information.

Denali may periodically provide seed capital to initially fund a new discipline or pooled investment vehicle. In addition, employees may invest in Denali managed disciplines and pooled funds. Employees must sign investment management agreements, and such investments are included with all other accounts traded for the same discipline. Employee accounts will not be accorded better pricing or trade allocations than provided to other clients. Employees may also invest in any Denali commingled funds that are currently approved for employee 401(k) plans.

In addition to conflicts of interest mentioned elsewhere in this document, Denali closely monitors the outside activities of all employees, individual vendor relationships, and client relationships as new situations arise to ensure there are adequate policies and procedures in place to address potential conflict issues. Employees must certify to and disclose outside business activities quarterly and annually.

Political Contributions

Firm and employee political contributions to U.S. or non-U.S. government officials, if not prohibited by law or regulation, may raise potential conflicts under the Advisers Act Rule 206(4)-5, the "pay-to-play" rule. As a result, Denali has implemented policies and procedures which limit contributions to, and require periodic reporting for, applicable political candidates or elected officials.

Violation of any COE rules or standards is considered to be serious regardless of the issue and appropriate action, including but not limited to, personal trading restrictions, additional education, fines, suspension and/or termination may be imposed.

A copy of Denali Advisors Code Of Ethics will be provided to a client or prospective client upon request using the contact information found on the cover page of this brochure.

The Code also requires that these persons receive approval from the Chief Compliance Officer prior to investing in securities or derivatives in Denali's investable securities.

Item 12: Brokerage Practices

Selecting Brokerage Firms

In selecting a broker or dealer for each specific transaction, Denali uses its best judgment to choose the broker or dealer most capable of providing the services necessary to obtain the best execution of that transaction. The SEC has stated that the determining factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution. In seeking the best execution of each transaction, Denali evaluates a wide range of criteria, including any or all of the following: the broker's commission rate, promptness, reliability and quality of executions, trading expertise, positioning and distribution capabilities, back office efficiency, ability to handle difficult trades, knowledge of other buyers and sellers, ability to provide Denali with market-related information, confidentiality, capital strength and financial stability, prior performance and responsiveness in serving Denali and its clients, and other factors affecting the overall benefit received by the client(s) in the transaction. When circumstances relating to a proposed transaction indicate that a particular broker or dealer is in a position to obtain best execution, the order is placed with that broker or dealer. This may or may not be a broker or dealer that has provided investment information and research services to Denali.

Research and Soft Dollars

Subject to the requirement of seeking best execution, Denali will take into consideration not only the items listed above, but also the commission paid research and brokerage services provided by broker dealers in connection with the execution of client transactions, also known as "soft dollars". Denali may, in circumstances in which two or more brokers or dealers are in a position to offer similar prices and execution, give preference to a broker or dealer that can provide investment information, research services and brokerage services to Denali. In obtaining that information and those services, Denali may affect securities transactions that cause a client to pay an amount of commission in excess of the amount of commission another broker would have charged. In selecting such broker or dealer, Denali will make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage services and research and investment information received, viewed in terms of either the specific transaction or Denali's overall responsibility to the accounts for which it exercises investment discretion. Denali regularly evaluates all commissions paid in order to ensure that the commission represents reasonable compensation for the brokerage and research services provided by such brokers.

When client brokerage commissions are used to obtain research and other products and services, Denali receives a benefit because Denali does not have to pay for the research, products or services.

We may have an incentive to select or recommend a broker-dealer based on the interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution. The investment information and research services that Denali receives from brokers or dealers is used by Denali's research analysts and portfolio managers to formulate recommendations for purchase or sale of securities. Such information and services are used by Denali as part of its investment process to enhance portfolio return and to reduce trading in servicing all of our clients. An account may be charged a commission paid to a broker or dealer who supplied research services not utilized by that particular account.

The information and research Denali receives includes information concerning pertinent Federal and State legislative and regulatory developments and other developments that could affect the value of companies in which Denali has invested or may consider investing; attendance at meetings with corporate management personnel, industry experts, economists, government personnel, academicians and other financial analysts and journalists; consultation with scientific and technical experts concerning the viability and market potential of an issuer's products and services; comparative issuer performance and evaluation and technical measurement services; subscription to publications that provide investment-related information; accounting and tax law interpretations; economic advice; quotation equipment and services; execution measurement services; market-related and survey data concerning the products and services of an issuer and its competitors or concerning a particular industry and other services provided by recognized experts on investment matters of particular interest to Denali. In addition, services may include the use of or be delivered by computer systems whose hardware and/or software components may be provided to Denali as part of the services.

Directed Brokerage

Denali does not direct, recommend, request or require that its clients direct us to execute transactions through a specified broker dealer. A client may, however, instruct us to direct all or a portion of the trades for its account to a specific broker dealer. In a directed brokerage arrangement, the client may forgo any benefit from savings on execution costs that Denali could obtain for our clients through, for example, negotiated volume discounts or aggregated orders as described in the Order Aggregation sub-section below. The client may also receive less favorable prices on securities transactions. Specific directions as to the directed brokerage arrangement must be in writing and signed by the client, either as part of the investment advisory contract or in a separate document and must be maintained in the client's legal file.

When Denali has a soft dollar arrangement with a broker with which a client also has a directed

brokerage arrangement, commissions generated by that client's account with that broker will be credited towards the client's directed brokerage arrangement.

In addition, accounts within each discipline are jointly and actively managed for available cash, deposits and withdrawals. It is conceivable that one client may add to a position while another must liquidate the same security to accommodate cash flow needs. In such instances, the trading desk will ensure that all orders are sent to different brokers to be submitted to the open market.

Cross trading may be permitted on an exception basis, but only in accordance with Trading Policies and Procedures and pre-approval by the Compliance Department.

Trade Allocation and Rotation Policy

The allocation process is primarily automated within the order management system. Due to client restrictions and/or strategy or fund investment restrictions, not all clients may be able to participate to the same degree or at the same time as others. In those situations, allocations are predetermined when the tickets arrive at the trading desk. When an aggregated order is filled in its entirety, the order will be allocated to participating accounts in accordance with the preliminary allocation schedule, or on a pro-rata basis if the order is only partially filled. Deviations from the preliminary allocation along with appropriate justification must be documented in writing. Allocations are sent to the broker on trade date in accordance with this process.

Denali may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts managed by Denali or with accounts of officers and/or related personnel of Denali. In such an event, the average price of all securities purchased or sold in such transactions may be determined and a client may be charged or credited, as the case may be, the average transaction and commission price. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts. In addition, if a client directs Denali to use a particular broker, that client may not have the ability to participate in certain aggregate transactions. For example, some wrap and individual client designated brokers require Denali to enter securities orders such that Denali has no control over the timing of trade executions. Denali may enter those orders after entering orders for Denali's other clients, and therefore those orders may receive less favorable execution.

When using rotation, non-directed account trade block(s) will be submitted first, followed by a rotation of institutional and separately managed directed account trades. Wrap accounts will be executed in rotating order priority. On even numbered days, the orders will be rotated in broker alphabetical order. On odd

numbered days, the orders will be sent in reverse alphabetical order.

Denali's process for security trading is based on daily average trading volume. In certain circumstances, positions may be thinly traded and take multiple days to transact in order to avoid negatively impacting the market. Institutional block order flow is typically initiated prior to the "individual" tranche of high net worth, wrap, small business retirement plans and personal accounts. These two groups differ significantly in broker and commission direction, as well as share and custodian breakdown. Depending on the security, market and other factors, the Traders may wait until the institutional tranche is complete or nearly two thirds complete before releasing the individual tranche into the market. Denali may occasionally wish to invest in new or additional secondary offerings if the preoffering allocation is deemed sufficient. However, allocations may have to be reconfigured at the time of booking if the actual allocation granted by the market maker is less than anticipated. Denali expects such instances to be rare given Denali's investment products. Denali may affect third party (broker) internal cross transactions between two or more accounts. Denali believes that such transactions can benefit both accounts by affecting a transfer of securities from one account to another at a greatly reduced cost. Also, cross trades must comply with applicable SEC, federal banking and ERISA regulations, and will only be executed under the Chief Compliance Officer's supervision.

In addition, Denali provides nondiscretionary investment services for emulation and model portfolios. In those instances, Denali has no broker selection or execution timing discretion. Depending on the strategy, composite and/or accounts being traded, Traders will typically upload these trades to the client trading platforms when discretionary trading is nearing completion, the day following discretionary orders, or at an agreed upon time. This procedure is enacted to ensure that the smaller nondiscretionary accounts don't consistently receive better prices than the larger blocked trades of Denali's discretionary accounts.

Denali has an agreement with Archer Investment Management Solutions to provide operations, trade communications and trade reconciliations for its high net worth and select financial advisor related individual accounts. Denali believes that outsourcing these functions is effective and continues to provide best execution for the clients.

Item 13: Review of Accounts

Periodic Reviews

Client accounts are monitored on a periodic basis by the Analyst, Portfolio Manager, or Investment Operations Manager. Performance attribution analysis and risk analysis is performed for the accounts by our Portfolio Managers. These analyses are provided to institutional clients on a monthly or

quarterly report cycle, as clients prefer. Portfolios for the growth-oriented strategies are managed in a team environment and all decisions must be unanimous. Denali reviews individual client portfolios using a two-tiered process. Portfolio Managers are required to ensure that each client portfolio is permitted to engage in trading a security. 1) The Portfolio Management Team conducts oversight reviews of strategies and will check client activity to ensure adequate clearance and settlement for any rebalancing deemed appropriate. 2) Portfolio Managers then review portfolios periodically as dictated by product/market/client directed activity or actions.

Portfolios for the institutional value accounts are managed as follows. The portfolio management (i.e. dispersion analysis, risk management, characteristic analysis, etc.) overview is allocated to various Portfolio Managers on a rotational basis with an emphasis on balancing the activities and experience of the individual managers against the client portfolios in a given discipline. Portfolio Managers administer a number of portfolio reviews depending on the account size, product, client specific directives, etc. No less than quarterly, portfolios are reviewed by the Portfolio Management Team for compliance with product and client specific requirements. The nature and frequency of reports to clients are determined primarily by the particular needs of each client.

As a general rule, clients or their custodians receive either quarterly or monthly reports of all transactions for the reporting period, current portfolio holdings and current market environment comments. Also, through telephone calls, video conferences, and in-person meetings, clients are kept regularly informed of investment policies and strategies being used to seek achievement of clients' investment objectives. Investment company shareholders are provided periodic and annual reports of securities transactions, as well as other required data and regulatory filings directly from the fund administrators.

Denali does not typically provide Wrap, Financial Advisor, or similar type of individual account reporting services. Denali has no control over custodian reporting which does not always match Denali trading and operational activity. Differences may include trade date vs. settlement date accounting, corporate action distributions, currency trade calculations, etc. Wrap and individual clients should utilize their custodian or brokerage statements for actual reporting records.

Regular Reports

Denali complies with each client's reporting guidelines set forth in the written client contract. The client determines the reporting requirement including frequency of reporting and type of report.

Holdings and trading reports are provided as clients' desire, as well as other customized reports. At a minimum each client receives the Denali Advisor Quarterly Update report. This report generally details performance, performance attribution, portfolio risk characteristics and other selected data as well as commentary on the investment environment.

Item 14: Client Referrals and Other Compensation

As discussed above in the *Brokerage Practices* section, Denali does receive an economic benefit from non-clients in connection with giving investment advice.

Denali may pay finders' fees, one-time or on-going cash referrals, travel and other expenses, to designated endorsers/solicitors, but will only do so if the arrangements fully comply with Advisers Act Rule 206(4)-1. The firm currently has one unaffiliated written third-party solicitation/endorser agreement in place. Each applicable client is provided with the necessary written documentation and fee schedules prior to signing the investment management agreement. Clients are not charged initial or on-going fees for these introductory services. All solicitor/endorser related compensation is paid directly by the investment adviser. As necessitated by applicable regulatory authorities, solicitors may be required to be independently licensed or registered. Denali does not sponsor or hold such licenses or registrations on behalf of any third-party solicitors/endorsers.

Denali provides its investment professionals with an attractive and competitive overall compensation package through Denali Advisors. Discretionary cash bonus and equity incentives may be awarded based upon an individual's contribution to the success of the overall firm and upon performance across all investment products. Certain employees may be awarded ancillary compensation for delivering and servicing accounts. Denali Advisors also offers healthcare benefits, a wellness plan, disability insurance, a 401(k) plan which typically includes partial firm matching of employee contributions, and career enhancement opportunities, including financial assistance for those seeking to further their education and/or professional credentials (e.g., university coursework, CFA exam seminars). Denali Advisors is committed to offering its employees a compensation package that will continue to attract, retain, and motivate talented professionals.

REVENUE SHARING

Separate and distinct from its investment advisory business, Denali may enter into revenue sharing agreements with an existing client, or third party, whereby Denali pays the entity a percentage of revenue derived from a certain strategy. At the present time, Denali has two such arrangements.

Item 15: Custody

Denali does not provide custodial services to or maintain custody for its institutional or individual separate account clients. Clients designate and appoint the custodian which is usually a qualified bank or registered broker-dealer. Clients must ensure that copies of monthly/quarterly/annual custodial statements are forwarded directly to them from the custodian and should periodically compare those statements to reports if/as provided by Denali. Denali records may differ from custodial statements based on accounting procedures, valuation methodologies, currency conversion rates, and other reporting related processes.

As defined under the SEC Investment Advisers Act of 1940 Rule 206(4)-2, Denali may be deemed to have custody if a client provides the custodian with written authorization to directly debit the account and forward management fees to the firm. In addition, Denali may be deemed to have custody if a client authorizes the firm to transfer assets between multiple client accounts at the same or different custodians. Denali will do so only if appropriate signed documentation is on file.

Denali is the general partner for various non-registered funds and limited partnerships and as such is considered to have custody of investor assets. In addition, Denali may, upon written client direction, have the ability to move assets to and from a specific client's custodian to a commingled fund in which that client also invests. Clients receive copies of custodial statements. Fund Administration closely monitors the accounts which are annually audited by a Public Company Accounting Oversight Board ("PCAOB") member firm.

Item 16: Investment Discretion

Denali has both discretionary and non-discretionary relationships. Each is outlined in the client agreement. For discretionary relationships, the firm receives a client agreement that typically includes investment guidelines that outline certain limitations associated with the management of the client account.

Because Denali is actively engaged as an investment adviser and manages more than one account, conflicts of interest may periodically arise regarding Denali's time devoted to managing any one account and the allocation of investment opportunities among all accounts managed by the firm. Denali attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. Some clients may not be able to participate in new/additional issuer offerings due to product, client portfolio, or brokerage related operational constraints, guidelines and/or restrictions. As discussed below, Denali may provide advice and initiate actions for a single client that may materially differ from that taken with respect to any or all other clients so long as it is Denali's policy, to the extent practicable, to allocate investment opportunities within each investment strategy fairly and equitably over a period of time. Denali is not obligated to acquire for any account any security that Denali or its affiliates, directors, officers and/or employees may acquire for its or their own accounts or for the account of any other client, if in the absolute discretion of Denali, it is not practical or desirable to acquire a position in such security for that account.

Unless otherwise specified in the client agreement, Denali will manage each client portfolio on a fully discretionary basis subject only to client specific written guidelines and restrictions. Each of Denali's investment strategies is managed by a team of experienced professionals. Each client account managed within a specific investment strategy typically owns a majority of the same securities. Regardless, deviations among accounts within the same investment strategy may occur based on: (a) account specific guidelines and restrictions; (b) timing of investments within client accounts (for example, based on the availability of or the need for liquidity within an account); (c) availability of cash balances; and/or (d) different allocations of securities to clients within the same investment strategy. In addition, client accounts in one investment strategy may own the same or similar securities as are held in accounts in other investment strategies. Client accounts in one investment strategy may buy the same security (or be net long a security or short) at the same time as accounts in a different

investment strategy may be selling the same security or covering a short. More specific information regarding each investment strategy is available upon request.

Denali has several non-discretionary arrangements wherein it provides advice and services to individual and institutional clients. Such relationships may include timely equity research and trading information, emulation or model portfolios, and/or other assistance associated with existing or client specific products. Information and services may or may not be concurrent with actively traded discretionary accounts. Furthermore, Denali does not control trading activity for such accounts and executions and overall returns may be significantly different than that obtained for discretionary clients. The client may modify restrictions at any time, with written notification to Denali. Denali reserves the right to refuse an account based on excessive guideline limitations.

Item 17: Voting Client Securities

Proxy Voting

The function of Denali is to invest and manage institutional assets that have been entrusted to it by its clients. Investment objectives involving equity ownership are of a long-term nature. The long-term profitability and survival of a corporation depends in part upon responsiveness to changing societal demands. Denali should be aware of new ideas that may reflect a change in societal attitudes and values through proxy resolutions submitted by shareholders other than management. The board of directors and officers of a corporation should be cognizant of, and responsive to, resolutions submitted by shareholders. Management of the corporation in its evaluation of these resolutions will have the most detailed knowledge of and the responsibility to evaluate their impact and long-term effect on the corporation and its profitability and survival. In general, Denali buys into management's capabilities in managing these issues when the stock is managed by Denali. However, there are, on occasion, issues that Denali, in its role of asset manager, may disagree with management. For example, Denali may vote against a stock option plan that it deems as excessive, or in some other way is improperly tied to the success of the company. These, and any other management or shareholder resolutions, are voted by Denali according to law and according to client wishes. In the event of a conflict of interest between the client and Denali, Denali will contact the client to determine how the shares will be voted.

The client may elect to vote their own proxies and will receive their proxies or other solicitations directly from their custodian or a transfer agent. Generally, clients direct Denali to vote proxies according to their guidelines. In a particular solicitation a client can direct the vote. Any change to the client's

guidelines needs to be in writing to Denali. Clients may obtain their proxy voting records and our Proxy Voting Policies and Procedures upon request by using the contact information found on the cover page of this brochure. Annually, Denali will file a Form N-PX on behalf of all accounts for which it votes proxies.

Item 18: Financial Information

Denali has no financial commitments that impair its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.

Additional Disclosures

Privacy Notice

Under Title V of the Graham-Leach-Bliley Act and SEC Regulation S-P (Reg. S-P), Denali Advisors is responsible for protecting the security and confidentiality of our clients and employees' nonpublic personal information. Denali is required to ensure that such records are secure and confidential. These records and information must be protected from threats, hazards and unauthorized use or access.

Privacy Policy Statement

Denali's privacy policy is applicable to former and current clients.

Denali Advisors collects nonpublic personal information about clients from Information we receive from the client on applications or other forms; and information about client transactions with others, such as the client's financial advisor, or us.

Denali Advisors will not disclose any nonpublic personal information about clients or their account(s) to anyone unless one of the following conditions is met:

- Denali Advisors receives the client's prior written consent;
- Denali Advisors believes the recipient is the client's authorized representative;
- Denali Advisors is permitted by law to disclose the information to the recipient in order to service the client's account(s); or
- Denali Advisors is required by law to disclose information to the recipient.

If the client decides to close his account(s) or become an inactive customer, Denali Advisors will adhere to the privacy policies and practices as described in this notice.

Denali Advisors restricts access to clients personal and account information to those employees who need to know that information to provide the client products or services. We maintain physical, electronic, and procedural safeguards to guard client nonpublic personal information.

Based upon the requirements of Reg. S-P, and the policy as recreated above, Denali and its employees will follow the following procedure regarding the appropriate handling of this information.

1. Only employees requiring access to nonpublic information shall have access to these records.

- a. If access is available to any employee not needing access to the information, the breach is to be immediately reported to the CCO.
 - b. If access is needed on a temporary basis, the reason must be clearly stated and approved. The approval is to be filed (electronically or in the general files).
 - i. After temporary use is complete, the materials are to be returned to the individual who granted access. If it is in electronic format, the copy is to be deleted.
2. Any records with nonpublic information are to be properly destroyed.
 - a. For hard copies, the copies are to be shredded in a cross shredder to ensure the information cannot be pieced together.
 - b. For computers, the files are to be destroyed.
 - i. Temporary files are to be destroyed immediately upon completion of need of use.
 - ii. Original files are only to be destroyed if the computer is to be removed from Denali's list of assets. (Files need to be kept per SEC requirements for record keeping.) If there is a question on whether a file can be destroyed, contact the CCO.
 - c. Any computer, which is no longer in use, is to be 'scrubbed' prior to leaving Denali's office to prevent access by any outsider who may come in contact with the computer.

Accountability and governance measures are in place to ensure that we understand and adequately disseminate and evidence our obligations and responsibilities; with a dedicated focus on privacy by design and the rights of individuals.

Special category data is only processed where necessary.

Information individuals are entitled to know includes:

- What personal data the firm holds about them
- The purposes of the processing
- The categories of personal data concerned
- The recipients to whom the personal data has/will be disclosed
- How long the firm intends to store their personal data
- If the firm did not collect the data directly from them, information about the source
- The right to have incomplete or inaccurate data about them corrected or completed and the process for requesting this to be done
- The right to request erasure of personal data (where applicable) or to restrict processing in accordance with data protection laws, as well as to object to any direct marketing from the

- firm and to be informed about any automated decision-making that we use
- The right to lodge a complaint or seek judicial remedy and who to contact in such instances

If there are any questions regarding the proper use and handling of nonpublic information, please contact the CCO as presented on the cover page of this brochure.

Denali Business Continuity Plan Summary

Denali has a BCP plan and will provide more information upon request.