

# **DINALE MANAGEMENT, LLC**

## **PART 2A OF FORM ADV**

### **FIRM BROCHURE**

**11 NEWBURY STREET, 5TH FLOOR  
BOSTON, MA 02116  
PHONE : (617) 758-8673  
[www.denaligrowth.com](http://www.denaligrowth.com)**

**April 27, 2024**

This brochure (the “Brochure”) provides information about the qualifications and business practices of Dinale Management, LLC (the “Adviser”, doing business as “Denali Growth Partners” or “DGP”). If you have any questions about the contents of the Brochure, please contact us (617) 758-8673. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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

## **Item 2 – Material Changes**

The Adviser does not consider any of the information contained in this version of the Brochure to represent a material change from the information contained in its last annual update dated March 18, 2024.

Our current and future investors are encouraged to read this Brochure, as well as all of the governing documents applicable to their current or prospective investment, in their entirety. To receive an additional current copy of this Brochure, please contact the Adviser's Chief Compliance Officer, William Stuart at (617) 758-8673 or [bstuart@denaligrowth.com](mailto:bstuart@denaligrowth.com).

### **Item 3 – Table of Contents**

	<b><u>Page</u></b>
ITEM 2 – MATERIAL CHANGES .....	2
ITEM 4 – ADVISORY BUSINESS .....	4
ITEM 5 – FEES AND COMPENSATION .....	5
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT...	7
ITEM 7 – TYPES OF CLIENTS .....	8
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	9
ITEM 9 – DISCIPLINARY INFORMATION .....	16
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS..	17
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	18
ITEM 12 – BROKERAGE PRACTICES.....	20
ITEM 13 – REVIEW OF ACCOUNTS.....	22
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION.....	23
ITEM 15 – CUSTODY .....	24
ITEM 16 – INVESTMENT DISCRETION .....	25
ITEM 17 – VOTING CLIENT SECURITIES.....	26
ITEM 18 – FINANCIAL INFORMATION .....	27

#### **Item 4 – Advisory Business**

DGP is an investment advisory firm established in 2020 and organized as a limited liability company under the laws of Delaware. The founder and principal owner of DGP is Jesse Lane (the “Principal”).

DGP intends to provide discretionary investment advice and management services to one or more private investment funds (each, a “Fund” and collectively, the “Funds”), which are generally structured as limited partnerships. DGP primarily targets equity investments in asset-light, privately held capital-efficient businesses, serving the technology and healthcare ecosystems.

Each Fund’s investment objectives, limitations and/or parameters are set forth in such Fund’s governing documents (the “Fund Documents”) provided to each investor in the given Fund (each, an “Investor”). Please also refer to *Item 8* of this Brochure for additional detail related to DGP’s investment strategies and related risks.

DGP tailors its investment advisory services to each Fund. However, DGP does not tailor its advisory services to the individual needs of Investors, and Investors may not impose restrictions on investing in certain securities or types of investments.

DGP does not participate in wrap fee programs.

As of December 31, 2023, DGP had approximately \$312,720,402 in regulatory assets under management, all of which were managed on a discretionary basis.

## **Item 5 – Fees and Compensation**

DGP is generally compensated through asset-based and commitment-based management fees and performance-based carried interest.

DGP generally receives management fees based on a percentage of assets managed (the “Management Fee”). All Investors in the Funds are “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Company Act”) (or “knowledgeable employees” pursuant to Rule 3c-5 promulgated under the Company Act), and therefore specific fee information is not required to be included in the Brochure. Management Fees are paid quarterly in advance or on a future date at the discretion of the applicable general partners and are deducted from each Investor’s assets invested in a Fund. Investors do not have the ability to choose to be billed directly for fees incurred. Management Fees payable to DGP may be reduced or waived on a case-by-case basis in the sole discretion of DGP or an affiliate thereof, and there may be variances in fees, including Management Fees, charged to certain Funds and/or Investors.

Subject to a clawback and a preferred return for the benefit of the Investors, each general partner (as defined below) is generally entitled to performance-based compensation or carried interest (the “Carried Interest”), with respect to profits generated by the Funds’ investments. Carried Interest may be waived on a case-by-case basis in the sole discretion of DGP or an affiliate thereof.

While generally not negotiable, fees, including Management Fees or Carried Interest, may differ among certain Funds and/or Investors. Please see **Item 6** for important disclosures concerning side-by-side management. Additionally, the general partners have entered and may enter into additional agreements, or “side letters” with Investors, whereby such Investors may be subject to terms and conditions that vary from or are more advantageous than those applicable to other Investors.

In connection with the Funds and their investments, DGP Fund I GP LLC, DGP SPV I GP, LLC, DGP SPV II GP, LLC (collectively, “General Partners”), or DGP may receive directors’ fees, transaction fees, investment banking fees, break-up fees, advisory fees, monitoring fees or other similar fees (“Transaction Fees”) from third parties, including, but not limited, to portfolio companies of the Funds. All or a portion of such Transaction Fees will be applied to reduce the Management Fee, if applicable. The amount and manner of such reduction is set forth in the Fund Documents of the applicable Fund. DGP, its related persons, or certain individuals appointed by DGP, including Strategic Advisors (as defined below) may receive certain compensation, fees or other amounts as payment for services provided to Portfolio Companies or as reimbursement for expenses directly related to a Portfolio Company. Any such fees or other amounts are not in addition to and do not reduce or offset any other compensation, fees, or other amounts to which DGP, the General Partners, or its other affiliated are otherwise entitled to, as described above.

DGP and/or its affiliates generally have discretion over whether to charge Transaction Fees or certain other fees to a portfolio company and, if so, the fee rate or amount. The receipt of such fees may give rise to conflicts of interest between the Funds, on the one hand, and DGP and/or its affiliates on the other hand.

The Funds will be responsible for all expenses relating to their own operations (“Fund Expenses”). These expenses will vary, but typically include fees, costs and expenses directly related to the purchase and sale of investments, securities or other instruments; all costs and expenses, generally subject to a cap, incurred in connection with the organization of the given Fund, its General Partners

and the other entities related thereto, including legal and accounting fees, printing costs, travel and out-of-pocket expenses and all costs and expenses incurred in connection with the offering of interests (“Organizational Expenses”); expenses of custodians, counsel and accountants; any insurance, indemnity or litigation expenses; Fund administration expenses; compliance costs of the Funds and the entities related thereto; any taxes, fees or other governmental charges levied against a Fund; and any fees charged by any administrative service providers. In addition, the Funds will be responsible for all of their own fees and expenses due to any legal, financial, accounting, consulting or other advisors (including certain fees and expenses to Strategic Advisors) or any lenders, investment banks and other financing sources in connection with transactions which are or are not consummated.

The Funds may directly or indirectly bear the fees, costs or expenses of certain services provided by strategic advisors and other similar operating consultants (the “Strategic Advisors”). The Strategic Advisors generally provide consulting and advisory services to DGP and are not employees or affiliates of DGP. While the fees, costs or expenses paid to Strategic Advisors are believed by DGP to be reasonable and generally at market rates, such arrangements are not negotiated at arm’s length and, from time to time, may be in excess of what would be charged by a third party for comparable activities. Fees and compensation paid to Strategic Advisors may take a variety of forms, including, but not limited to, profit sharing payments, a profits interest in an individual portfolio company or a director’s fee for service on a portfolio company’s board of directors. Additionally, Strategic Advisors may be hired to serve as executives of DGP’s portfolio companies and would receive compensation directly from portfolio companies for such a service. The fees, costs and expenses incurred by a Fund in connection with the Strategic Advisors will be treated as Fund expenses and such amounts will not, for the avoidance of doubt, offset the Management Fee.

Neither DGP nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

The Funds will utilize brokerage services and will bear the expenses of such services. Please refer to *Item 12* of this Brochure for a description of DGP’s brokerage practices.

See *Item 16* for disclosure related to side letters.

**Investors and prospective Investors should refer to the applicable Fund Documents for a complete description of fees and expenses paid to DGP and its affiliates. The information contained herein is a summary only.**

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

As described in *Item 5*, DGP (or one of its affiliates) is generally eligible to receive performance-based compensation upon the distribution of investment proceeds. Additionally, as discussed under *Item 5* (“Fees and Compensation”) above, the amount of Management Fees and Carried Interest that DGP or the applicable General Partner receives can vary depending upon the Funds. Due to such discrepancies, a potential conflict of interest could arise. Such variance in fees may create an incentive for DGP to make investments that are riskier or more speculative for fee-paying clients. DGP addresses this potential conflict through regular monitoring of the Funds’ portfolios, as described in *Item 13* of this Brochure, in order to help ensure that the Funds’ investments are consistent with their investment guidelines and risk management policies. In addition, the General Partner invested a substantial amount of capital, thus aligning, to some extent, the interests of DGP with the interests of the Funds. Further, the Fund Documents provide Investors and potential Investors with extensive disclosure regarding the potential risks relating to an investment in the Funds, including material conflicts of interest.

**Complete fee disclosures, as well as descriptions of related potential conflicts of interest, are provided in the Fund Documents. Investors and prospective Investors should review such disclosures carefully.**

## **Item 7 – Types of Clients**

DGP provides investment advice solely to its Fund clients, and references throughout this Brochure to “clients” and to DGP’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under domestic or non-U.S. laws and operated as exempt investment pools under the Company Act. Subject to certain qualifications, investors participating in the Funds may include individuals, banks or thrift institutions, insurance companies, endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations, corporations or other business entities or other investment entities, and from time to time include, directly or indirectly, Principals or other employees of DGP and its affiliates and members of their families, Strategic Advisor or other service providers retained by DGP.

The Funds may include alternative investment vehicles.

DGP currently offers Fund interests solely to “qualified purchasers” as defined in the Company Act (or qualified knowledgeable DGP employees). As set forth in detail in the applicable Fund Documents, the Funds have a specified minimum investment for third-party investors, and DGP is permitted to waive such minimum investment amount.



## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Investment Strategy**

DGP's investment objective is to make investments, on behalf of the Funds, across the healthcare-technology, technology, and technology-enabled services landscape, with a strong emphasis in North America. The Funds may make both minority and select control investments. DGP seeks to invest in companies that are profitable (or have a clear path to profitability), that require low capital expenditures, with capital-efficient business models. DGP's approach is to provide capital that will help sustain or accelerate revenue growth. In evaluating potential investment opportunities, DGP looks to invest in markets with sustainable growth with macro tailwinds, emerging nascent markets supported by innovative technology, mature markets where unique technology disruption allows for large revenue growth and increased market share gains, and fragmented markets where there may be opportunities for industry consolidation.

DGP seeks to pursue a thematic and proactive approach to investing in industry sub-sectors that offer, what DGP believes to be, the most compelling opportunity to maximize risk-adjusted returns for investors. DGP is committed to completing significant primary research to identify compelling trends and areas where customers are rapidly adopting new technologies or technology-enabled services. This aptitude to develop and validate key investment themes and then to find companies provides DGP with a competitive advantage in DGP's section of the market. The strategy allows DGP's resources to be highly targeted and focused on end markets where it is highly likely to find attractive growth companies. DGP believes that this "top-down," target, and thematic approach will position it to identify companies and develop credibility with CEOs, management teams, and owners of the target companies, thus positioning DGP as the preferred investment partner.

DGP intends to play a role in helping portfolio companies take advantage of key emerging technologies, employ strong governance and operational practices. Throughout the life of an investment, DGP intends to work with portfolio companies on pricing, customer acquisition, introductions to potential channel-partners, introductions to customers, potential C-Suite and Board of Directors additions. DGP anticipates that it will also play a role in helping companies develop a key set of metrics, key performance indicators, and other relevant financial and operating information, which will help both the management teams of portfolio companies as well as DGP to better understand the operating and financial performance of the underlying portfolio companies.

There can be no assurance that DGP will achieve the investment objectives and a loss of investment is possible.

### **Summary of Risk Factors**

**Despite DGP's research and analysis, investing in securities involves risk of loss that Investors and prospective Investors must be prepared to bear. DGP's investment strategy entails substantial risks, including, but not limited to, those listed below. Further risk factors are discussed in the applicable Fund Documents.**

**Illiquid Investments in Portfolio Companies.** Most of the Funds' investments will consist of illiquid or unlisted securities of portfolio companies. The investments are subject to various risks, particularly the risk that the Funds will be unable to realize their investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete an exit strategy. In some

cases, the Funds may be prohibited by contract from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate. There can be no assurance that a public market will develop for any of the Funds' investments or that the Funds will otherwise be able to realize such investments.

Fluctuations in Value. Fluctuations in the market values of the securities in which the Funds invest may occur for a number of reasons beyond the control of the General Partner or the Funds, including those factors described herein. The market for securities of portfolio companies of the Funds may be volatile, and, to the extent that securities of portfolio companies trade publicly, they may experience large price and volume fluctuations.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Funds and the General Partners may be required to make (and / or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Funds and, ultimately, their limited partners.

Market Conditions and Available Opportunities. The success of the Funds will depend on market conditions, the availability of appropriate investment opportunities, and the ability of the Funds to identify, select, close, and manage those investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Funds to invest all of their capital commitments in opportunities that satisfy the Funds' investment objectives or address the expected investment allocation, or that such investment opportunities will lead to completed investments by the Funds. Actual investments may differ significantly from expected allocations. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. Among other factors, competition for suitable portfolio investments may reduce the availability of investment opportunities.

Factors Affecting Portfolio Companies. The Funds' success depends upon the success of the portfolio companies in which the Funds invest. Economic, governmental, industry, and internal factors that detrimentally affect the financial health of the Funds' portfolio companies will cause a resulting loss of value in the Funds' investments. In addition, the Funds' portfolio companies may face intense competition from more established companies that may have greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. In addition, the ultimate success of a particular portfolio company will depend in large part on its management. Although the Funds intend to invest in portfolio companies with strong management teams, there can be no assurance that a portfolio company's management team will be able to operate the portfolio company successfully.

DGP's investment objective is to make investments on behalf of the Funds across the healthcare-technology, technology, and technology-enabled services landscape, with a strong emphasis in North America. These companies may not be profitable. They may require considerable additional

capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. In certain circumstances, the Funds may be represented by a member of the General Partner on a portfolio company's board of directors. Even so, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Funds or the General Partners). Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

Generally, the investments made by the Funds will be illiquid and difficult to value, and there may be little or no collateral to protect an investment once made. The marketability and value of each such investment will depend upon many factors beyond the General Partner's control. At the time of the Funds' investment, a portfolio company may lack one or more key attributes (e.g., proven technology, operational stability, consistent profitability, marketable product, complete management team, or strategic alliances) necessary for success. There may be no readily available market for the Funds' investments, many of which will be difficult to value, and the disposal of a portfolio investment by the Funds may be prohibited or delayed many years from the date of initial investment for legal, contractual and/or regulatory reasons. Disposition of such investments may result in distributions in kind to investors. The private and public markets for growth equity companies are extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Funds to dispose of investments, and the value of investment securities on the date of sale or distribution by the Funds.

Growth Equity Transactions. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in a substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and / or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities, and a larger number of qualified managerial and technical personnel.

Early-Stage Investments. The Funds may make investments in early-stage companies that inherently have greater risk than more established businesses. Accordingly, the growth of these companies may require significant time and effort, resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by the Funds will be successful.

Risks Inherently Associated with Technology Companies. Technology companies often face specific risks which the Funds will necessarily also be exposed to by concentrating their investment strategy in such companies. Such risks typically include: (1) rapidly changing science and technologies; (2) new competing products and improvements in existing products which may quickly render existing products or technologies obsolete; (3) scarcity of management, technical, scientific, research and marketing personnel with appropriate training; (4) the possibility of lawsuits

related to patents and other intellectual property and their associated rights; and (5) rapidly changing investor sentiments and preferences with regard to technology sector investments.

Many target portfolio companies rely on a combination of patent, copyright, trademark, and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that the Funds or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company's technologies. While piracy adversely affects portfolio company revenue, the impact on revenue from outside the U.S. is significant, particularly in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for software intellectual property rights could adversely affect portfolio companies.

Diversification. The Funds will invest in a limited number of companies, sectors, countries, or regions. To the extent the Funds concentrate their investments in a particular sector, industry, country, or region, their investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular sector, industry, country, or region. As a consequence, the aggregate return of the Funds may be adversely affected by the unfavorable performance of one or a small number of companies, sectors, countries, or regions in which the Funds have invested.

Leverage. The Funds' investments may include portfolio companies with capital structures that include significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the portfolio companies or their industries. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Funds may suffer a partial or total loss of capital invested in the portfolio company.

Need for Follow-On Investments. Following their initial investment in a given portfolio company, the Funds may decide to provide additional funds to such portfolio company or may have the opportunity to increase their investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make follow-on investments or their inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Funds to increase their participation in a successful portfolio company or the dilution of the Funds' ownership in a portfolio company if a third party invests in such a portfolio company.

Bridge Financings. From time to time, the Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such

bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Funds' control, such long-term securities may not be issued, and such bridge loans may remain outstanding. In such an event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

Non-Controlling Interests. The Funds may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect their position in such portfolio companies. However, as a condition to an investment in a portfolio company, it is expected that appropriate rights generally will be sought to protect the Funds' interests to the extent possible. There can be no assurance that such minority shareholder rights will be available. The growth stage portfolio companies targeted by the Funds typically will be at later stages of business maturity than the portfolio companies commonly sought out by early-stage venture capital funds, and the Funds' investments may present features that are different from those of typical early-stage venture capital financings (including, without limitation, different valuations, and risk-return profiles, smaller available ownership percentage amounts, fewer or non-standard investor rights and reduced opportunity to communicate with management), and the Funds may not be able to protect their interests in their portfolio companies to the same extent that early-stage venture capital funds have historically done. Furthermore, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds.

Valuation of Securities. The fair market value of all portfolio investments or of property received in exchange for any portfolio investments will be determined by the General Partner in accordance with the Partnership Agreement. Accordingly, the fair market value of a portfolio investment may not reflect the price at which the investment could be sold in the market, and the difference between fair market value and the ultimate sales price could be material. Different methods of valuing securities may provide materially different results. Actual realized returns on all unrealized investments will depend, among other things, on the value of the securities at the time of disposition, any related transaction costs, and the manner of sale. Accordingly, the actual realized return on all unrealized investments may differ materially from the values presented to the limited partners.

Reliance on Portfolio Company Management Team. Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the General Partner and DGP will be responsible for monitoring the performance of each investment and the Funds seek to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company in accordance with the Funds' plans. The success of each portfolio company depends in substantial part upon the skill and expertise of each portfolio company's management team. Additionally, portfolio companies will need to attract, retain, and develop executives and members of their management teams. The market for executive talent is, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate, and retain suitable members of their management team and, as a result, the Funds may be adversely affected thereby.

Risk in Managing Portfolio Companies and Effecting Operating Improvements. In some cases, the success of the Funds' investment strategy will depend, in part, on the ability of the Funds to restructure and effect improvements in the operations of a portfolio company. The activity of

identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement such improvements. Additionally, to the extent the Funds acquire a control or control-oriented interest in a portfolio company, the Funds may be exposed to risks inherent in owning or operating a business. The exercise of control over a portfolio company through a control position, or the service of an officer or employee of the General Partner and its affiliates as a director of a portfolio company, could (i) expose the assets of the Funds to claims by such portfolio company, its security holders and creditors or (ii) impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. If these liabilities were to occur, the Funds, directly, and the Funds' investors indirectly, could suffer losses.

Investments in Public Companies. The Funds' investment portfolio may ultimately contain securities or instruments issued by publicly held companies. Such portfolio investments may subject the Funds to risks that differ in type or degree from those involved with portfolio investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities or instruments at certain times, increased likelihood of shareholder litigation against such companies' board members and increased costs associated with each of the aforementioned risks.

Distressed Investments. The Funds may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Funds may lose some or all of their investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Funds invested.

Director Liability. The Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or a similar governing body) of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time-consuming for such persons and can divert the attention of such persons from the Funds' investment activities.

Risk of Default or Bankruptcy of Third Parties. DGP may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, Funds could suffer losses if a counterparty to a transaction were to default or if

the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid. In addition, Funds could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which DGP does business, or to which securities, commodities, other financial instruments and/or other assets have been entrusted for custodial purposes. For example, if a Fund's custodian were to become insolvent or file for bankruptcy, the Fund could suffer significant losses with respect to any securities held by such firm.

As a result of increasing interest rates, reserves held by banks and other financial institutions in bonds and other debt securities could face a significant decline in value relative to deposits and liabilities which, coupled with general economic headwinds resulting from a changing interest rate environment, creates liquidity pressures at such institutions. This pressure may be greater for midsized or regional banks that have less diversified customer bases or whose customer bases are concentrated in certain industries, as evidenced by the bank runs on the Silicon Valley Bank (SVB) Financial Group ("SVB") and on Signature Bank ("Signature") causing them to be placed into receivership. Because of the nature of the Funds, there is a risk that they will have exposure to midsized or regional banks that face liquidity pressure. As a result of this environment, certain sectors of the credit markets could experience significant declines in liquidity, and it is possible that DGP will not be able to manage this risk effectively. It is yet to be determined how the bank runs on SVB and Signature will fully impact other financial instruments and broader economy, as well as the overall performance of DGP and one or more of its Funds.

### **Item 9 – Disciplinary Information**

Neither DGP nor any of its management persons have any legal or disciplinary events that would be material to an Investor's, or prospective Investor's, evaluation of DGP or the integrity of DGP's management.



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

Neither DGP nor any of its management persons is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or is an associated person of any of the above.

DGP serves as the investment manager to the Funds. As mentioned above, the General Partners are affiliates of DGP by common ownership and control and operate as a single advisory business together with DGP. Any persons acting on behalf of the General Partners are subject to the supervision and control of DGP. While the General Partners are not separately registered as an investment adviser, all of their activities are subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and the rules thereunder. DGP and the General Partners are referred to collectively herein as the “Adviser.”

DGP’s affiliation with the General Partners creates a potential conflict of interest in that such affiliation may cause DGP or the General Partners to take greater risks than they may have otherwise. This conflict of interest is addressed as described in *Item 6*.

DGP has adopted a Code of Ethics concerning trading by personnel of DGP that is designed to detect and prevent potential conflicts of interest between DGP, the Funds and each Fund’s Investors. Please refer to *Item 11* below for additional information regarding DGP’s Code of Ethics.

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

DGP has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act. The Code applies to DGP’s “Access Persons,” which generally includes all employees of DGP and its affiliates.

The Code sets forth a standard of business conduct and requires Access Persons to act in DGP’s Funds’ best interests and in accordance with applicable rules and regulations. Upon hire and at least annually thereafter, all Access Persons are required to acknowledge their receipt of, and agreement to abide by, the Code. Further, Access Persons are required to promptly bring violations of the Code to the attention of DGP’s Chief Compliance Officer.

DGP prohibits most personal trading by its Access Persons, except for certain securities and in certain instances that are exempt from this policy, such as trading in mutual funds, ETFs, money market funds, United States treasuries, and cash equivalents. The Code details DGP’s policies for maintaining current and accurate records of all personal securities accounts of its Access Persons and their immediate family residing in their households, as well as accounts over which Access Persons have discretion, in an effort to monitor personal trading activity in accordance with Advisers Act Rule 204A-1.

DGP expects to maintain a “Restricted List” with the names of issuers of securities about which DGP (or its Access Persons) has learned material, non-public information. Access Persons are strictly prohibited from trading securities on the Restricted List (or any other securities to which the material, non-public information relates).

DGP recognizes the potential for conflicts of interest. As such, procedures for identifying and resolving such potential conflicts are discussed in the Code. The General Partners have also established a committee (the “LP Advisory Committee”) comprised of representatives of selected Investors. The LP Advisory Committee provides advice and counsel as requested by the General Partners in connection with potential conflicts of interest and other matters related to the Funds. There can be no assurance that DGP or the General Partners will resolve all conflicts of interest in a manner that is favorable to the given Funds, but in all circumstances, DGP will attempt to resolve any conflicts of interest by exercising the good faith required of fiduciaries, and further believes that it will be able to resolve conflicts on an equitable basis.

The paragraphs above only represent a summary of the key provisions in DGP’s Code. Investors or prospective Investors may obtain a copy of the entire Code upon request.

### **Allocation of Investment Opportunities**

In the event that DGP or an affiliate is entitled to receive a higher percentage of the net profits of the account of one Fund than the percentage that DGP or an affiliate receives from another Fund with a similar investment strategy, then DGP may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the Fund that is subject to the higher percentage.

To alleviate potential conflicts of interest that could arise from simultaneously pursuing active investments on behalf of two or more Funds with similar/overlapping investment strategies, a Fund’s governing documents will typically prohibit DGP, without the prior approval of the Fund’s

Investors, from closing on a successor Fund with an investment strategy substantially similar to that of the current Fund until such date(s) when permitted by the current Fund.

#### Co-Investments

Subject to any specific allocation requirements set forth in the Fund Documents and/or side letters granted to Investors, the following selection and allocation criteria will be considered in determining the selection of co-investors and the allocation of co-investment opportunities.

#### *Co-Investor Determination/Selection Criteria*

Co-Investments will be offered to investors based on a range of factors, including, but not limited to:

- Size of a co-investment opportunity;
- Strategic value of a prospective co-investor to the portfolio company to which a co-investment opportunity relates;
- The ability of a prospective co-investor to conduct its own due diligence, make an investment decision and fund a co-investment opportunity within the applicable timeline for completing the co-investment;
- Whether a prospective co-investor has the financial and other resources to make the co-investment;
- Whether a prospective co-investor has previously indicated a desire to make investments of the type represented by the co-investment opportunity;
- Whether a prospective co-investor is likely to prove to be a suitable partner to the portfolio company to which the co-investment opportunity relates (e.g., by demonstrating to the applicable Fund's general partner and/or such portfolio company's satisfaction that it: (i) will be able to meet future investment needs of such portfolio company on a timely basis and (ii) adequately understands the business plan and operations of such portfolio company);
- Any requirements or restrictions relating to the selection of co-investors set forth in the governing documents of the Fund(s) to which a co-investment opportunity relates and/or in any side letters granted to applicable Investors;
- Tax, legal and/or regulatory considerations; and
- Any other factors determined by the applicable Fund's general partners, in their sole discretion, to be relevant to the co-investor selection process.

#### *Allocation Amongst Interested Co-Investors*

After the selection of interested co-investors, co-investment opportunities will be allocated based first on allocation-related requirements (including capacity reserves) set forth in any side letters granted to Investors in the Fund(s), as well as any applicable legal or regulatory requirements. After such allocations, DGP and its affiliates, will, in their sole discretion, determine the allocation of such investment opportunity that is available for co-investment.

## **Item 12 – Brokerage Practices**

The Adviser focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Adviser may also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Adviser does not intend to regularly engage in public securities transactions, to the extent it does so, it would expect to follow the brokerage practices described below.

If the Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such an event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser may consider a variety of factors, including: (i) prompt execution of orders, (ii) the reliability, integrity, financial condition and execution capability of the firm being considered for effecting transactions in light of the size and difficulty of executing the order, (iii) the price and (iv) the capabilities of firms to supply research services.

The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but the Adviser generally will endeavor to be aware of eligible brokers’ transaction fees and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Adviser generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Adviser generally does not make use of such services. As a general matter, any such research may be shared between the Adviser and its affiliates, and may be used to service one or more of the Funds regardless of which Fund paid the brokerage commission being applied toward payment for such research services. There is no agreement or formula for the allocation of brokerage business on the basis of research services.

To the extent that the Adviser engages in any public securities transactions, orders for the purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Adviser may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, the Adviser may, but is not obligated to, purchase or sell securities for several Funds at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such a trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs. When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a pro rata basis to each Fund participating in such buy or sell order in accordance with

the amount of securities originally requested for such Funds. Each Fund generally will receive the average price obtained on all such purchases or sales made during such a trading day. Exceptions to pro rata allocations are permissible provided they are fair and equitable to Funds over time.

### **Item 13 – Review of Accounts**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, DGP and the applicable General Partners closely monitor companies in which the Funds invest, and the Adviser's CCO periodically checks to confirm that the Funds are maintained in accordance with their stated objectives as set forth in the applicable Fund Documents.

The Funds generally provide to their limited partners (i) on a quarterly basis (for the first three quarters of the fiscal year) unaudited financial statements and information regarding net Management Fee reductions and (ii) on an annual basis (A) audited financial statements, (B) tax information necessary for each limited partner's tax return, and (C) valuations of such Fund's investments.

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

DGP, its personnel and/or its affiliates may provide certain business or consulting services to the Funds' portfolio companies and may receive compensation from these companies in connection with such services in addition to the Management Fee. Any such compensation received by DGP will generally result in a corresponding offset of the Management Fee with respect to each Limited Partner. DGP and/or its affiliates may also receive certain other fees from a Fund's portfolio companies as described in "Fees and Compensation."

From time to time, DGP and/or its affiliates has and will enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by DGP directly or indirectly through an offset against the Management Fee or otherwise, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, may be borne by the relevant Fund(s).

### **Item 15 – Custody**

The Adviser is deemed to have custody of client assets under Rule 206(4)-2 of the Advisers Act (the “Custody Rule”). The Adviser will comply with the requirements of the Custody Rule with regard to such custody.

Investors in the Funds will receive audited financial statements annually, prepared in accordance with generally accepted accounting principles, within 120 days after the end of the fiscal year of each Fund.



## **Item 16 – Investment Discretion**

The Adviser has discretionary authority to manage investments on behalf of the Funds. As a general policy, the Adviser does not allow clients or Investors to place limitations on this authority. The Adviser assumes this discretionary authority pursuant to the terms of the applicable Fund Documents and powers of attorney executed by the limited partners of the Funds. Pursuant to the terms of the applicable Fund Documents, however, the Funds or the Adviser may enter into side letters with certain limited partners whereby the terms applicable to such limited partner's investment in such Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

## **Item 17 – Voting Client Securities**

The Adviser has adopted Proxy Voting Policies and Procedures (the “Proxy Policy”) to address how it will vote proxies, as applicable, for the Funds’ portfolio investments. The Proxy Policy seeks to ensure that the Adviser votes proxies (or similar instruments) in the best interest of each Fund, including where there may be material conflicts of interest in voting proxies. The Adviser generally believes its interests are aligned with those of each Fund’s investors, for example, through the General Partner’s beneficial ownership interests in such Fund, and, therefore, will not seek Investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Adviser may address the conflict using several alternatives set forth in the Proxy Policy. Additionally, a Fund’s LP Advisory Committee may be authorized to approve the Adviser’s vote in a particular solicitation.

The Adviser does not consider service on portfolio company boards by the Adviser’s personnel or the Adviser’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Adviser when voting proxies on behalf of each Fund. Investors or prospective Investors that would like a copy of the Proxy Policy or information regarding how the Adviser voted proxies for particular portfolio companies should contact DGP’s CCO, at (617) 758-8673, and such information will be provided free of charge.

**Item 18 – Financial Information**

The Adviser does not require or solicit prepayment of Management Fees more than six months in advance.

The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.