



**DOMAIN REAL ASSET VENTURES, LLC**

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March 28, 2024

The brochure provides information on the qualifications, advisory business, fee arrangements, types of clients, investment strategies, code of ethics, custody policies and financial information of Domain Real Asset Ventures, LLC (“DRAV”). 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.

If you have any questions about the contents of this brochure or would like to request a brochure, please contact Micheal Alexander, Domain’s Chief Compliance Officer at (770) 628 - 0700 or by email at [malexander@DomainCapitalGroup.com](mailto:malexander@DomainCapitalGroup.com). DRAV is a relying adviser on Domain Capital Advisor’s registration. Registration as an investment adviser or relying adviser does not imply any level of skill or training.

Additional information about DRAV is available on the Securities Exchange Commission’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **MATERIAL CHANGES**

This Brochure includes amendments since our last update dated March 31, 2023. We have updated our Form ADV in Schedule A to reflect material changes made to the executive officers. These material changes include Michael MacArthur, former Chief Compliance Officer of Domain Capital Advisors, LLC left the firm on November 10, 2023. Carolyn Seabolt, the Adviser's General Counsel and Chief Operating Officer acted as interim Chief Compliance Officer until the search committee found a replacement. On January 3, 2024, Micheal Alexander assumed the role as Chief Compliance Officer.

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### **ADVISORY BUSINESS**

Domain Real Asset Ventures, LLC (“DRAV”) provides investment management services to institutional investors. DRAV was organized on May 5, 2020, and is a majority-owned subsidiary of Domain Capital Advisors, LLC (“Domain”). DRAV’s business purpose is to originate investment opportunities for institutional investors by partnering with developers and operators across a range of real asset sectors (e.g. real estate, credit, real assets). DRAV serves as the investment manager for such investments. Specifically, DRAV identifies a developer or operator with sub-market or sub-sector expertise and together they develop a business plan. The developer or operator is responsible for executing the business plan. DRAV is responsible for sourcing capital and serving as asset manager for the investment, including ongoing management, monitoring and reporting on the investment as manager for the vehicle formed to hold the investment. DRAV may also co-invest in the investment vehicle. DRAV is a relying adviser on Domain Capital Advisor’s registration.

Domain and/or DRAV will engage necessary audit and other professionals, all pursuant to the terms of the governing documents for the vehicle holding the investment. The client typically will retain authority to make further acquisition or disposition decisions, but DRAV may make recommendations with respect to such decisions. If the client decides to engage in such subsequent transactions, DRAV will typically negotiate directly or arrange for a broker or other appropriate third party to handle and execute such transaction. DRAV usually receives compensation from these investment transactions through management fees usually based on committed and invested capital, a carried interest, performance fees or similar arrangement, and disposition fees.

As of December 31, 2023, DRAV had neither regulatory assets under management on a non-discretionary basis nor discretionary basis. DRAV does not offer or participate in any wrap-fee programs. Clients may impose restrictions on investing in certain securities or types of securities.

### **FEES AND COMPENSATION**

DRAV will negotiate with each client the fees and other compensation at the outset of each investment. The fee structure is typically a percentage of committed and/or invested capital or a fixed fee. DRAV will also receive an incentive fee based upon achieved return hurdles or equity multiples, and may receive a disposition fee upon investment liquidation in certain cases. DRAV will sometimes receive other types of fees which will be set forth in the relevant governing documents.

Fee documents can call either for a quarterly fee in advance or in arrears. Investments that begin or cease during the quarter are charged a prorated fee unless the fee document states otherwise. Upon dissolution or other liquidation of an investment, DRAV will promptly refund the pro-rated amount of any prepaid but unearned fees. DRAV will typically receive its fees directly from the vehicle holding the particular investment opportunity.

The client or vehicle holding the client’s investment will pay operational expenses of the investment, including but not limited to valuation, audit, tax, legal and travel-related costs in connection with managing the investment. Some of these expenses will be paid directly by the client or vehicle holding the investment, and for others, DRAV will advance the payment and

receive reimbursement from the client or vehicle. Investment vehicle organizational documents typically outline some of the common expenses DRAV expects the entity will incur. Clients and investors receive quarterly reports for each investment vehicle, and these reports reflect totals for each category of expenses paid directly or indirectly by the investment vehicle. Detailed line item reports for all expenses incurred by or on behalf of the investment vehicle are available upon request.

When a client decides to invest in a third-party vehicle or opportunity, the third party may charge additional fees and costs as specified in the relevant governing documents.

In some cases, DRAV receives compensation from parties other than its clients in connection with an investment. The compensation varies in form and can be an upfront due diligence or origination fee, or a recurring management fee. These fees are typically paid directly by the 3<sup>rd</sup> party investment sponsor/partner or borrower, respectively. The payment from sponsor or partner is disclosed to, agreed to, and documented with, our client in our executed fee documents.

DRAV addresses the conflicts of interest created by these payments by disclosing the relevant facts and circumstances and by obtaining written consent and acknowledgement of the client impacted by the arrangement.

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

DRAV receives incentive fees on certain investments. These incentive fees, typically structured as a carried interest, give DRAV additional compensation if certain investment thresholds or investment return multiples are met.

As discussed in the Fees and Compensation section above, DRAV will receive a variety of fees, based upon negotiation with each applicable client. As a result, DRAV has an inherent conflict of interest between its responsibility to manage each investment and its interest in maximizing any performance-based fee. For example, the performance-based fee creates an incentive for DRAV to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect. In addition, because the performance-based fees are calculated on a basis which includes unrealized appreciation of the Fund's or client's assets, such fee can be greater than if such compensation were based solely on realized gains.

#### **TYPES OF CLIENTS**

DRAV provides investment advisory and management services exclusively to institutional and high net worth investors.

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

### *Methods of Analysis*

DRAV analyzes investment opportunities using fundamental analysis and forecasted cash flow projections.

Fundamental analysis entails attempting to measure the intrinsic value of an investment by examining related economic, financial and other qualitative and quantitative factors. When DRAV employs this kind of analysis, it studies macroeconomic factors (such as the overall economy and industry conditions) and investment-specific factors (such as a company's financial condition and management). The end goal of performing fundamental analysis is to determine a value that can be compared with the market's bid or ask price to assess whether to purchase, sell, or continue holding the investment. This analysis will typically be one of several considerations taken into account before making an investment decision.

DRAV also analyzes an investment opportunity or existing investment by forecasting future cash flows associated with the investment. If appropriate, we will seek to purchase the investment at a price that is equal to or better than the net present value of such cash flows as determined by applying a discount rate we believe is appropriate.

DRAV uses various sources of information in performing our investment analysis. Among other things, DRAV obtains information through market and industry research, internal underwriting of the specific opportunity, analysis and review of sponsor or affiliate underwriting or due diligence and review, as necessary, of reports, valuations, appraisals and similar documentation pertaining to a specific investment opportunity.

### *Investment Strategies*

When a client makes an investment decision, DRAV typically employs a buy and hold strategy. DRAV will monitor the investment and may make recommendations for liquidation based on changing circumstances. A client or investor's decision whether to invest in a particular investment opportunity through DRAV is often based on the client's or investor's own particular needs and allocation strategy.

### *Material Risks*

DRAV's clients often invest in assets that are unique or esoteric, lacking in a regularly traded market, highly speculative, involve a high degree of risk, and for which little or no market or valuation information is generally available. The investments frequently carry a significant risk of loss. DRAV will not always be successful in identifying all risks associated with such investments or could fail to project accurately or precisely the future cash flows and other valuation information of such investments. The client or investor should be prepared to bear a complete loss of its investment.

The following is a summary of the typical, significant material risks associated with investments that DRAV typically manages for a client and investor. Specific investments can carry other forms

of risk. The client or investor should review thoroughly the particular risk disclosures contained in the offering or other documents associated with any particular investment.

- **Credit or Default Risk:** Many investments, such as debt instruments or real estate leases or other interests, are exposed to the risk that the debtor, lessee, or another counterparty may experience difficulty paying its obligations. The debtor, lessee, or other counterparty may seek bankruptcy protection which can limit or impair the rights of the investor.
- **Interest Rate Risk:** Many investments earn fixed interest rates. These investments often lose intrinsic and market principal value when interest rates rise.
- **Market or Principal Risk:** Many investments are exposed to declining market valuations due either to the specific market for the investment declining or the overall level of market prices declining. Real estate and other investments will come in and out of favor with investors, which causes the market value to fluctuate with or without any inherent change in the underlying asset. The investor will receive less than the invested amount if the market value of the investment declines after the investment is made. Some investments could lose all their value if the issuer or obligor fails.
- **Inflation Risk:** Some investments risk failing to keep pace with inflation, and consequently purchasing power will be reduced. Inflation can also negatively impact the return of an investment through increased operating and other costs.
- **Subordinated priority risk:** Certain investments have subordinated priority and are exposed to the additional and special risk that if the issuer or asset fails to perform as expected, creditors or investors with higher priorities could recover, while the subordinated investor will not.
- **Reinvestment Risk:** Some investments, particularly fixed-rate investments, present the risk that the investor will be unable to reinvest principle or earnings at the same rate of return earned by the initial investment.
- **Currency Risk:** Investments denominated in foreign currencies are exposed to the risk that those currencies will decline in value relative to the U.S. dollar and that converting those foreign currencies back to U.S. dollars will have an unfavorable exchange rate and transaction cost.
- **Prepayment Risk:** Some investments allow the issuer to return principal or capital to an investor prior to expiration of the investment's expected or hoped-for full term. The investor may be unable to re-invest at the same or more favorable terms, creating **Reinvestment Risk** described above.
- **Economic Risk:** Many investments will experience appreciation or depreciation or experience an increase or decrease in cash flows or other investment returns based on changes in the general or local economic conditions.
- **Industry / Sector Risk:** Certain investments are exposed to the performance of a particular industry or sector which can impact the value or performance of the investment.

- **Company or Asset Specific Risk:** Most investments are exposed to the risk that the particular issuer, obligor, or asset can fail to meet expectations, fail to pay dividends or interest, or succumb to competition or other forces. This risk is particularly acute for start-up and early-stage ventures and catalogue assets. While some investments have security interests in property or other collateral, such property or collateral can be inadequate to cover the investment and will require time and expense before the security can be liquidated under the security agreements.
- **Liquidity Risk:** Most investments are exposed to the uncertainty of obtaining a fair price due to an illiquid or thinly traded market, or an otherwise poor market environment.
- **Regulatory / Environmental / Tax Risk:** Some investments are exposed to the uncertainty as to whether governments or regulators possibly change or impose regulations or laws, such as environmental and tax, that adversely affect the investment.
- **Management / Operational Risk:** Investments relying on third party managers, processes or systems are exposed to the risk that the particular people, processes or systems will perform poorly relative to expectations or competition.
- **Legal Risk:** Investments, particularly those involving membership interests in entities managed by third parties, are exposed to a risk of financial or reputational loss arising from: regulatory or legal action; disputes for or against the company; failure to correctly document, enforce or adhere to contractual arrangements; inadequate management of non-contractual rights; or failure to meet non-contractual obligations.
- **Information Technology Risk:** Investments, particularly those involving or relying upon emerging technologies, are at risk for general IT threats (such as hardware and software failures); criminal and malicious IT threats (such as hackers, fraud, security breaches, malware, viruses, scams, phishing password theft, and denial of service) and natural and manmade disasters (such as fire, floods, terrorists attacks, and other damage to buildings, technology, or hardware).
- **Imperfect Correlation Risk:** Hedging positions designed to offset or eliminate particular risks are subject to the possibility that the hedging product will not perform as expected due to imperfect correlation or other reasons, and the risk intended to be hedged will materialize without the expected protection.
- **Event Risk:** Some investments are exposed to the danger of sudden, calamitous news or other events that directly and adversely affects the value, liquidity, or return of the investment, and for which the loss is uninsured. These can include events such as: acts of war, terrorist activity, pandemic, data breach, compromise or failure of current or emerging information technology, storms, natural disasters, pandemics, and other such events.
- **Fraud Risk:** Many investments are exposed to the risk of fraud by an issuer, manager, or some third party that adversely and materially affects the value of the investment.



- **Actuarial Risk:** Insurance-related investments are subject to the risk that the expected insured risk materializes at a different rate and adversely to the projected and assumed risk underlying the investment obligation.
- **Demand Risk:** Certain investments, particularly entertainment assets, have the risk of changing consumer tastes and preferences and falling out of favor with the public, which can diminish the cash flow and value of the asset.
- **Political Risk:** Certain investments may be subject to domestic and foreign political situations and other factors.
- **Competition for Investments:** DRAV will often compete for the acquisition of assets or other investments with many other investors, some of which will have greater resources or interest in a particular investment than DRAV or its client or investor. Competition for these assets or other investments sometimes can result in less favorable investment terms than would otherwise be the case.
- **Use of Leverage:** DRAV has the ability to use leverage in connection with some or all of its investments. In such cases, a third party (e.g., a lender) may, depending on the terms of any lending agreement, be entitled to cash flow generated by such assets prior to the investor. Leverage has the potential to increase returns where the underlying investment performs as or better than expected, but leverage can also dramatically increase the risk of loss or underperformance with respect to an investment where the underlying investment underperforms the cost of the leverage.
- **Valuation Risk:** Most investments managed by DRAV are not publicly traded and are required to be valued by DRAV in accordance with DRAV's valuation policies. When estimating fair value, DRAV will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstances of the investments. Valuations are subject to multiple levels of review for approval. Notwithstanding DRAV's focus and effort on achieving a reliable valuation process, the nature of such assets makes them extremely difficult to value and a risk exists that DRAV's valuations could exceed the ultimate price at which a willing and able buyer will purchase the asset.
- **Natural and Human-caused Disasters, Cyber Security Breaches and Identity Theft:** DRAV's information and technology systems can be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although DRAV has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, DRAV, its investments and/or its clients would have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in DRAV's, or an investment's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients or investors (and the beneficial owners of such clients or investors).

### **DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose material facts about any legal or disciplinary event that is material to an investor, a client's or a prospective client's evaluation of DRAV's advisory business or the integrity of the Registrant or its management personnel.

DRAV has no legal or disciplinary events or findings to disclose.

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

When a client decides to invest in an investment opportunity, DRAV typically assists in forming a vehicle or vehicles through which the investment will be made. The vehicles will usually include a limited liability company that owns the investment and a separate vehicle that serves as the managing member of the investment vehicle. DRAV or affiliates sometimes acquire an interest in one or both of these vehicles and will serve as manager of such vehicles. In some instances, the client or investor will make investments in new opportunities through existing vehicles. In addition, DRAV serves as the sponsor and general partner to commingled funds and acts as the manager to the funds.

DRAV will have interests in these vehicles and opportunities through rights to management fees, membership interests, and carried interests or similar performance compensation structures. Conflicts of interest arise between DRAV and the client or investor at different points in the investment lifespan. For example, DRAV is motivated by the fee structure to recommend that the client or investor initiate an investment. If the client or investor chooses not to invest, DRAV will consequently not earn ongoing management and other fees that it would have earned had there been a decision to invest. In addition, after an investment is made, DRAV earns ongoing management fees, and therefore, DRAV has an incentive to continue holding an investment rather than to liquidate the investment. Such conflicts can be mitigated by the overall fee structure, including disposition fees and carried interests, which can align DRAV's long-term interests with the long-term interests of the client or investor. In many of its vehicles, DRAV does not have discretion to decide when to invest or when to liquidate an investment, and the client or investor will often participate in the decisions to invest or to liquidate.

However, with respect to certain vehicles, DRAV exercises investment discretion. DRAV has been appointed as a discretionary investment manager with respect to these Funds pursuant to an investment management agreement. The investment management agreements between each such Fund and DRAV allow DRAV to exercise full discretionary authority subject to the investment guidelines as described in the offering documents of the relevant Fund.

Domain and DRAV are affiliates of Domain Timber Advisors, LLC ("Domain Timber"), another registered investment adviser, via common ownership. Domain, DRAV, and Domain Timber share office space as well as a common CCO, and certain other employees who perform duties for these entities. Domain, DRAV, and Domain Timber generally do not invest in the same asset classes, and thus our clients do not compete for investment opportunities. To the extent an investment opportunity fits the investment criteria for multiple clients, we will follow our allocation policy.

Affiliates of DRAV act as general partners of its pooled investment vehicles and receive performance-based fees which create material conflicts of interest discussed above. DRAV's affiliates have a relationship with a state pension plan ("Investor") that has invested in most private funds managed by Domain. This Investor also owns a non-controlling, non-voting, passive equity interest in Domain's parent company, Domain Capital Group, LLC, and provided financing to an affiliate to fund the purchase of the assets of another Registered Investment Adviser ("RIA") for an RIA under common control with Domain. Serving clients or investors who have a financial interest in us or our affiliates presents the potential for a conflict of interest. We mitigate this conflict by having and enforcing fair and equitable allocation policies and training our personnel not to favor one client or investor over any others.

DRAV's Principals and certain officers and employees of DRAV and its affiliates encounter conflicts in that they will devote business time and efforts to the other advisory clients of DRAV, including subsequent funds organized in the future by DRAV, and to the other business activities of Domain Timber, Domain, DRAV and their affiliates. Although Domain Timber, DRAV and Domain have and will establish procedures to address such conflicts, there can be no assurance that such conflicts will be resolved in a manner that is most favorable to any particular fund or client.

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

DRAV's Code of Ethics (the "Code") incorporates the following general principles which all employees are expected to uphold: (1) employees must at all times place the interests of the clients first; (2) personal securities transactions must be reported and reviewed; (3) employees must not take any inappropriate advantage of their positions with DRAV; (4) information concerning the identity of securities and financial circumstances of the clients and other investors, must be kept confidential; and (5) independence in the investment decision-making process must be maintained at all times.

The Code is available to all clients, investors or prospective clients and/or investors upon request to Micheal Alexander, at (770) 628 - 0700 or by email at:

[malexander@DomainCapitalGroup.com](mailto:malexander@DomainCapitalGroup.com).

DRAV has a conflict of interest when it offers to investors, or recommends to clients, commingled funds or other investments in which DRAV or a related person has a financial interest. As mentioned in Other Financial Industry Activities and Affiliations above, and as disclosed in Item 7A of Domain's Form ADV, Part 1A, Domain and affiliates serve as the manager and/or minority owner of the entities in which the client or investor invests, receives management fees for the duration of an investment lifespan, will often receive a carried interest or other performance compensation, and can receive disposition fees at liquidation. In addition, DRAV has the ability to offer or recommend commingled funds and other investments in which DRAV, one of its affiliates, their respective officers, directors, partners, members, employees or agents or investment funds advised or sponsored by DRAV has made, or may make, an investment.

As outlined above, DRAV has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, DRAV's goal is to place client interests first. Consistent with the foregoing, DRAV maintains policies regarding participation in initial public offerings (IPOs) and private placements to comply with applicable laws and avoid conflicts with client transactions. If a DRAV associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer. DRAV's decision to recommend to a Client any commingled fund or other investment is based solely on the suitability of the investment for the particular Client. Investors considering commingled funds or other investments offered by DRAV should consult their financial advisors.

In addition, DRAV and its affiliates maintain a restricted list of public securities about which they might possess material nonpublic information. DRAV, affiliates, Clients and personnel cannot enter into transactions in the securities contained on that list.

### **BROKERAGE PRACTICES**

DRAV primarily recommends and manages investments in privately offered securities and investment opportunities which are not traded on an exchange or through broker-dealers. DRAV therefore does not typically use a broker-dealer for transaction execution, and it does not routinely suggest brokers to a client. We also do not engage in trade aggregation for multiple clients.

In the event DRAV transacts in public securities, it intends to select brokers based upon the broker's ability to provide best execution for the client. Similarly, DRAV attempts to ensure that the client pays no more than the perceived fair value for each investment as well as reasonable fees for services necessary to complete the transactions.

DRAV recognizes that the analysis of execution and implementation quality involves a number of factors, both qualitative and quantitative. In effecting transactions for the client, DRAV takes into account a range of applicable factors when hiring third party service providers or other intermediaries for the purpose of completing transactions. Factors include general expertise and background, the type and size of the transaction involved, the stability or solvency of the service provider or counterparty, settlement capabilities, time required to complete the role sought, research services or any arrangements relating to overall performance in the best interest of the client.

If DRAV makes an error while placing a trade for a client, DRAV will seek to correct the error promptly in a way that mitigates any losses. DRAV will bear any costs associated with correcting any error. Gains associated with any trade error shall be retained by the affected Client(s). DRAV will generally not net gains and losses associated with multiple errors related to separate investment decisions, but gains and losses stemming from an interrelated set of errors may generally be netted.

DRAV, from time to time, can encounter a conflict of interest when presented with investment opportunities that fall within the investment objectives of more than one fund or advisory client of

Domain, DRAV, Domain Timber, and their affiliates. In addition to the activities that DRAV will undertake on behalf of the funds and clients, DRAV and its affiliates also manage, and will continue to manage, other private investment funds and separate accounts for existing and future clients. DRAV addresses this conflict by allocating investment opportunities among clients in accordance with Domain's Investment Allocation Policy, which could result in a particular fund or client not participating in an investment opportunity, in whole or in part.

In certain circumstances, DRAV will offer co-investment opportunities to other parties (including limited partners in a fund, other clients, and other persons) whom DRAV, in its sole discretion, determines are necessary or desirable for the success of a given investment or strategically important to the success of a fund or a particular investment in a fund, or who otherwise have the right to co-invest pursuant to an agreement with DRAV.

### **REVIEW OF ACCOUNTS**

DRAV's investment staff generates written quarterly reports that provide an update on the status of each of the investments DRAV manages. These reports provide qualitative and quantitative analysis of each investment, including notable events from the previous period, sector and industry analysis and commentary, as well as net asset value and a summary of the quarterly and year-to-date operations of the investment, respectively. In some circumstances, the investment performance is compared to an industry benchmark. A DRAV managing director reviews these reports before distribution.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

DRAV has engaged a third party to identify potential institutional investors. The firm has engaged or attempted to engage in initial solicitation activities on DRAV's behalf. Upon successful execution of an investment, the third party will typically receive a percentage of DRAV's management fee over an agreed period of time. The agreed upon percentage of DRAV's management fee is fully paid by Domain, and clients will not directly or indirectly bear any portion of this fee.

### **CUSTODY**

DRAV will have custody of client funds and securities. Client funds include cash held at a qualified custodian in a bank account with the bank account titled under the investment name. DRAV will require the bank to issue a monthly duplicate bank statement directly to the client or investor. DRAV will prepare a report each month reconciling the balance on the bank statement, and will share that reconciliation paperwork and supporting backup with its client or investor upon request. DRAV urges the client or investor to review the monthly bank statements and to compare the bank statement with DRAV's reports.

For the parent level limited liability companies and other pooled investment vehicles that DRAV forms and manages to hold client or investor investments, DRAV will distribute at least annually audited financial statements prepared in accordance with generally accepted accounting principles.

To conduct the audits, DRAV will engage independent public accountants registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements will be distributed to the members or other investors in the vehicle.

For situations where annual audited financial statements are not distributed, DRAV will arrange for an independent custodian to hold securities and to send statements to investors or their independent representative. DRAV will also arrange for an independent public accountant to conduct a surprise verification of the funds and securities over which DRAV has such custody. Such verification must be conducted at least once during each calendar year at a time that is irregular from year to year, and that is chosen by the accountant without prior notice to DRAV.

### **INVESTMENT DISCRETION**

DRAV will, in certain circumstances, have discretionary authority over client assets and accounts. This means that DRAV can execute transactions without prior, specific consent from the client for such investment. Fund documents will typically establish an affiliate of DRAV as the managing member or general partner of the investment vehicle. The managing member, general partner, or fund will engage DRAV as the investment manager for the investment vehicle.

### **VOTING CLIENT SECURITIES**

DRAV generally does not invest in publicly traded securities, and therefore, does not vote proxies on behalf of a client. In a limited circumstance, DRAV has the authority to vote proxies on behalf of a client, but only does so pursuant to the client's instructions.

### **FINANCIAL INFORMATION**

A balance sheet is not required to be provided as DRAV (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients and (iii) has not been subject to any bankruptcy proceeding during the past 10 years.