

## **Disruptive Technology Advisers LLC**

823 Congress Avenue, Suite 300  
Austin, Texas 78701

**March 28, 2024**

This brochure provides information about the qualifications and business practices of Disruptive Technology Advisers LLC, DTA II LLC and DTA Liquidity Fund I GP, LLC. If you have any questions about the contents of this brochure, please contact the Disruptive Technology Advisers LLC's Compliance Department at [compliance@disruptive.tech](mailto:compliance@disruptive.tech). 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 as an investment adviser does not imply that Disruptive Technology Advisers LLC or any of the principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Disruptive Technology Advisers LLC is also available on the SEC's website at <https://adviserinfo.sec.gov/firm/summary/164828>.

**Item 2: Material Changes**

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This amendment to the brochure dated March 29, 2024, serves as an update to Disruptive's brochure filed on September 27, 2023. Since the last annual updating amendment, the Firm appointed Miles Edwards as the Chief Compliance Officer ("CCO") of the Firm after Christopher Mates' departure.

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**Item 4: Advisory Business**

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Disruptive Technology Advisers LLC (“Disruptive”, the “Firm” or the “Investment Adviser”) is a Delaware limited liability company founded in 2012. Disruptive is solely owned by DTA Master, LLC, a multi-member limited liability company of which Alexander J. Davis is the majority owner.

Disruptive, along with DTA II LLC and DTA Liquidity Fund I GP, LLC, each a “relying adviser” affiliate of Disruptive (each, a “Manager”, and collectively, the “Managers”), have been appointed by DTA Master, LLC to be responsible for the investment activities of various private investment vehicles and special purpose vehicles (each, a “Fund,” and collectively, the “Funds”), created for the purpose of making and managing investments in securities (the “Company Securities”) issued by privately held companies (“Portfolio Companies”). Please note such Portfolio Companies are anticipated to become public companies, however, such investments are privately held companies at the time of purchase and no guarantee can be made that the Company Securities will become publicly traded.

The Funds have been formed to invest in Company Securities (i) directly via purchases from shareholders of the Portfolio Company, (ii) through investments in other investment vehicles that hold securities of the Portfolio Company or, (iii) if the opportunity arises, directly from the Portfolio Company. Disruptive does not tailor its investment services to any individual Fund investor (“Investor”). The Funds are managed in accordance with the investment objectives, strategies, restrictions, and guidelines found in their respective private placement memoranda (“PPM”). Additional information about the Funds can be found in their offering documents.

Disruptive does not currently nor does it intend to offer a wrap fee program at this time.

As of December 31, 2023, Disruptive has \$ 959,185,193.00 of assets under management, all of which are managed on a discretionary basis. At this time, Disruptive does not manage any assets on a non-discretionary basis.

**Item 5: Fees and Compensation**

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**Advisory Fee**

For certain Funds and for a period of only one year, Investors may pay Disruptive an advisory fee (the “Advisory Fee”) based on the aggregate amount of their unreturned capital commitments. The obligation to pay the Advisory Fee will commence on the date of each closing. The calculation of the Advisory Fee paid by each Investor will be fully disclosed in detail in each Fund’s offering document.

If an Investor is subject to an Advisory Fee, it will be payable quarterly in advance in an amount equal to 25% of the annual Advisory Fee rate per quarter. Each Investor’s Advisory Fee is deducted directly from the Investor’s capital account. Where Disruptive charges an Advisory Fee, the amount of the Advisory Fee and timing of its payment by the Investor to the Fund will be fully disclosed. The respective Manager will issue a capital call to the Investor which includes an additional amount necessary to fund payment of the Advisory Fee and any Fund expenses as outlined in each Fund’s offering document, at the same time as the capital call is issued to the Investor to fund their capital commitment.

### Fund Expenses

All costs and expenses incurred in the organization of each Fund and their respective offerings, including, without limitation, legal and accounting fees, expenses for printing and mailing, costs of regulatory compliance with securities laws and all other related miscellaneous costs and expenses shall be paid by each Fund. In addition, all ongoing expenses of each Fund shall (i) be borne by the respective Fund and paid out of or reimbursed from the Fund's assets, including expenses relating to ongoing legal, tax, and accounting advice; expenses incurred by the Fund in connection with the acquisition, holding, or disposition of any investment; routine administrative expenses of the Fund; preparation of the reports and notices; and accounting, insurance, litigation-related and indemnification expenses; and (ii) the Fund will disclose the percentage that it will not exceed of the total capital commitments of all Investors of the Fund in each Fund's offering documents unless otherwise stated. These expenses shall be allocated among the Investors or series of interests of each Fund by the respective Manager pursuant to the Manager's Fund expense allocation policy. Amounts so expended shall not be available for the purchase of Company Securities. All general office overhead of the Funds, including rent, utilities, telecommunications, office furniture, equipment, computers and compensation of employees, fees of independent contractors to the Funds other than its attorneys, accountants and any third party administrator and other Fund personnel shall be paid by the Firm or, if funds are advanced by a Fund for payment of such expenses, the amount of such funds so expended shall be reimbursed to the applicable Fund by the Firm.

### Side Letters

The Funds have, in some cases, entered into letter agreements or other similar agreements (collectively, "Side Letters") with one or more Investors that alter, modify, or change the material terms of the interests held by such Investors. Side Letters provide such Investor(s) with additional and/or different rights (including, without limitation, with respect to the Carried Interest, Advisory Fee, Liquidity Rights, Informational Rights, and other rights as negotiated) than the other Investors. The Fund has the discretion to enter into Side Letters as long as they do not adversely affect the rights and privileges of any investor previously admitted to the Fund without such investor's consent. Currently, the Fund is neither required to notify any or all of the other Investors of the existence of any such Side Letters or any of the rights and/or terms or provisions thereof, nor is the Fund required to offer such additional and/or different rights and/or terms to any or all of the other Investors.

### **Item 6: Performance-Based Fees and Side-By-Side Management**

The Funds are entitled to allocate a portion of its investment profits to the respective Manager as a carried interest, subject to the terms and conditions set forth in the Funds' organizational documents. DTA II LLC and DTA Liquidity Fund I GP, serving as Manager to a Fund, will not participate in any profits or losses until Investors have received distributions in an aggregate amount equal to 100% of such Investor's aggregate Capital contributions. Compensation based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act") whereby the Investor must be a "Qualified Client", as defined therein.

### **Item 7: Types of Clients**

Investors in the Funds include a variety of institutional Investors, family offices, and high net worth individuals. Each investor in the Fund must be an "accredited investor" under Rule 501(a) of Regulation D of the Securities Act and a "qualified client" under Rule 205-3 under the Investment Advisers Act satisfying the Section 3(c)(1) exemption of The Investment Company Act of 1940, under which the Funds operate. Investors are required to make

representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment.

The minimum initial investment in the Funds is set by the Managers and is typically \$100,000, however, lesser amounts may be accepted at the Managers' discretion.

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

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

The Firm targets a specific investment horizon and focuses on companies it believes have the potential to become standalone public entities. In order to make this assessment, the Firm meets with management teams and conducts financial and operational due diligence. The Firm also conducts market research to understand sector-specific growth vectors and risks in addition to competitive analyses. Disruptive applies several valuation methodologies including but not limited to the exit multiple method and discounted cash flow (DCF) and considers the capital structure composition in making this assessment. Further, Disruptive engages with third parties (other investors, current and prospective customers, operators, and subject matter experts) to gain comfort over certain business dynamics in relation to prospective investments.

The Funds seek to raise capital through the sale of interests in the Funds in order to pursue its business objective of realizing gains from investments in Company Securities. Due to the limited nature of some offerings, not all Investors will be able to participate in every investment opportunity. Investing in a particular Fund does not guarantee access to future investment opportunities.

Certain Funds invest in only one Company's Securities. Company Securities are generally subject to various restrictions on transferability, either through provisions of its charter or bylaws or by contract. Such restrictions typically include a right of first refusal (a "ROFR") entitling the company (or its assignee) to purchase from a holder those securities that such holder wishes to sell or otherwise transfer. Pursuant to such a provision, prior to effecting a sale or other transfer of Company Securities, the seller would first be required to offer to sell such Company Securities to the company. The company would then for a designated period of time, have the option to elect to exercise its right to purchase the Company Securities on the same term as and conditions as the proposed sale to the identified buyer (or to assign such right to a third party). The Company Securities shall remain subject to any applicable ROFRs, co-sale, or other restrictions in any related agreements, bylaws and otherwise.

In addition to ROFRs, there is generally a lock-up provision by which the Fund would not be permitted to sell the Company Securities for a period of time following the effective date of any public offering or direct listing of Company Securities ("Liquidity Event"), unless such sale was consented to by the company and the lead underwriter for such offering. These ROFRs, lockups and similar agreements would limit the transferability of the Company Securities by the Fund. However, many such provisions expire pursuant to their terms within a set time following the completion of a Liquidity Event. While the company may be a viable candidate for a Liquidity Event, no assurance can be given that such a Liquidity Event will ever occur or would occur in the foreseeable future. Moreover, if the company does affect a Liquidity Event, there can be no assurance that it would be undertaken at a price in excess of the price, or prices paid by the Fund to acquire Company Securities. Accordingly, if the Fund disposes of the Company Securities following such a Liquidity Event, whether through distribution to Investors or otherwise, there can be no assurance that such disposition would not result in a loss to the Fund and to Investors. The likelihood of such a Liquidity Event may be negatively impacted by numerous factors, including, without limitation, the market performance of the

securities of other similar sector companies that are currently becoming, or may subsequently become, publicly traded.

If a company is successful in effecting a Liquidity Event (of which there can be no assurance), subject to any applicable legal or contractual restrictions, the Fund will distribute the Fund's assets to its Investors. Disruptive and the respective Manager will provide Investors the option to (i) sell their interest in the Company Securities and receive cash, or (ii) receive in-kind distributions of Company Securities acquired by the Fund as soon as such disposition is permitted by all applicable legal and contractual restrictions. To the extent Carried Interest is owed to the Manager of the Fund, the Manager will withhold the amount of cash or Company Securities required to satisfy the Carried Interest such that the Investor receives a net asset distribution. Disruptive and the respective Manager have the sole right to alter this distribution strategy at any time. Even if the Fund elects to distribute Company Securities in kind, to the extent that cash reserves on hand at the time are not sufficient to meet all then-current and anticipated Fund expenses, the Fund may need to sell a portion of the Company Securities to fund such expenses, including any costs of the disposition of the Company Securities.

### **Risk of Loss Factors**

Investing in the Fund involves various risks, including loss of capital, which Investors should be prepared to bear. Prospective investors are urged to consult their professional advisers and review the legal documents and offering for the Funds before deciding to invest in the Funds. Prospective investors should also be aware that Disruptive and/or the Manager, from time to time, may enter into side letter arrangements which allow one or more Investors to have additional or different rights including, but not limited to, fee arrangements, informational and negotiated rights different than other Investors.

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds.

#### No Assurance of Achievement of Investment Objectives

There can be no assurance that the Funds will be successful in receiving a company's approval to conduct purchases of Company Securities through ROFR assignments, planned share purchase programs or otherwise. Likewise, there can be no assurance that the Funds will succeed in purchasing any Company Securities and/or selling any Company Securities at advantageous prices or that any investment by the Funds in Company Securities will prove to be profitable. Competition in acquiring Company Securities has increased the purchase price for such securities and such prices may continue to rise. Other potential purchasers may have considerably greater resources than the Funds to deploy in purchasing Company Securities, which would make them more attractive to the company in assigning ROFRs or participating in organized purchase programs.

#### Concentration of Investment

Each Fund will only make investments in one company's securities. Accordingly, each Fund's performance will be wholly dependent upon the company being able to effect a Liquidity Event at a valuation in excess of the prices at which the Fund acquired the Company Securities. The value of an investment in a Fund will be subject to greater volatility and would be more susceptible to any single economic, political, or regulatory occurrence (either directly related to the company or having an indirect effect on the company) than would be the case if the Fund's investments were diversified.

Inflation Risk

Inflation could affect the Fund's investments adversely in a number of ways. During periods of rising inflation, interest rates and dividend rates related to portfolio investments could increase, which could reduce returns to Funds and any underlying investors. In addition, inflationary expectations or periods of rising inflation could also be accompanied by the rising price movement of equity and other investments in the Funds. During periods of high inflation, capital could flee to other asset classes, which could adversely affect the prices at which the Fund will be able to sell its portfolio investments. The market value of such investment holdings is also subject to decline in value in times of higher inflation rates. Therefore, it should be noted that Inflation and rapid fluctuations in inflation rates have had in the past, and will likely in the future have, negative effects on U.S. and non-US economies and financial markets as a whole and not just on the Firm.

Unavailability of Sufficient Information to Value Company Securities or Predict Future Valuations

The companies in which the Funds make investments are privately held companies and as such, do not report their financial condition or any other aspect of their business and operations to the public. At times, the Funds receive limited company information, but such company information can be insufficient and untimely to enable the Firm to accurately evaluate or justify the current or future valuation of the company. Accordingly, pricing on the Fund's acquisition of the Company Securities will be determined by and large by the prices that other potential purchasers are willing to pay. There is currently a limited, negotiated market for a privately held company's securities. Prices for purchases and sales of such securities have little or no correlation to a company's sales, profits, or other recognized indicia of value. In the event that a company does effect a Liquidity Event, there can be no assurance that the value of the Company Securities will be in excess of the private market valuations at which the Fund purchased the Company Securities.

Limited Liquidity of Company Securities; No Assurance of an IPO or other Liquidity Event

Privately held Company Securities are not registered under the Securities Act and are not required to and do not file periodic reports with the SEC under the Securities Exchange Act of 1934 (the "1934 Act"). The Company Securities that the Funds will seek to obtain are "restricted securities" under federal and state securities laws and regulations. Unless Company Securities are registered with the SEC and any required state authorities, or an appropriate exemption from registration is available, the Funds (or any Investors who receive Company Securities in a distribution by the Fund) may be unable to liquidate such Company Securities. Resale of Company Securities by the Funds or such Investors will be subject to limitations under the Securities Act and the Funds and/or Investors intending to sell Company Securities may be required to aggregate their sales of Company Securities with sales made by other Investors for some period of time following the distribution of such securities by the Funds. Therefore, prospective investors who require liquidity in their investments should not invest in the Funds or anticipate that there will be liquidity in any investment in a company's securities.

No public market currently exists for the Company Securities sought by the Funds and no assurance can be given that a Liquidity Event will be consummated by the companies in the future.



Reliance on the Managers and Disruptive

The Managers shall have sole power and discretion over the management and operations of the respective Funds. The Firm shall have authority over the acquisitions and dispositions of the Company Securities. All decisions with respect to the management of the Funds shall be made by the Managers or Disruptive, and Investors shall have no right to take part in the management of the Funds. All rights, preferences, privileges, and restrictions with respect to Company Securities shall belong to the Funds and be the sole responsibility of the Managers and Disruptive. Investors shall have no ability to make any decisions with respect thereto. No Investor shall have the right to either vote or dispose of any of the Company Securities owned by the Funds. Investors are provided an election notice to choose either a cash or Company Security distribution only after the company has publicly listed its shares and relevant transfer restrictions have expired. No Investor shall have the right to withdraw all or any amount of its investment in the Fund (either in cash or in the form of the Company Securities) at any time without the prior written consent of the respective Manager, which consent may be withheld by the Manager in its sole discretion for any reason or for no reason. Accordingly, no party should make any investment in the Funds unless such party is willing to entrust all aspects of the Funds' management to the Manager and all matters relative to the Funds' investment in Company Securities, to the Firm. Moreover, the Managers and Disruptive shall be controlled by DTA Master, LLC, a multi-member limited liability company controlled by Alexander J. Davis. Accordingly, through his control of DTA Master, LLC, Mr. Davis shall have sole management authority over the Manager and Disruptive and, by extension, the Funds. No party should make any investment in the Funds unless such party is willing to entrust all aspects of the Funds' management to Mr. Davis. If the Funds elect to acquire interests in another fund that holds the Company Securities, the ability of the Funds to control investment decisions over the Company Securities may be limited or non-existent.

Distress Events

A Fund's investment is subject to the risk that one of the Fund's banks, lenders, or other custodians of some or all of the Fund's (or any portfolio company's) assets (each a "counterparty") is unable to perform its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by a variety of factors, including but not limited to, eroding market sentiment, a change in interest rates, significant customer withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces, or accounting irregularities. If a Fund's counterparty experiences a Distress Event, the Firm, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although many regulated banks and broker-dealers in the United States insure assets up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, or the Securities Investor Protection Corporation, respectively, amounts in excess of the relevant insurance are subject to risk of total loss, and any counterparties that are not subject to similar arrangements pose increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that governmental intervention will occur, be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event can adversely affect Disruptive's ability to manage the Funds and their investments, and the ability of the Firm, any Fund or portfolio company to maintain operations, resulting in significant losses. If a counterparty experiences a Distress Event, this could cause the Funds to be unable to draw capital on a credit line to close a transaction or acquire or dispose of investments at prices that reflect the fair value of such investments; could cause

investors to be unable to make capital contributions or otherwise; and/or could cause portfolio companies to be unable to make payroll, fulfill obligations and maintain operations. If of a Distress Event leads to a loss of access to a counterparty's services, it is also possible that the Firm may experience operational burdens and expenses, and a Fund or a portfolio company may incur additional expenses and/or delays in implementing alternative arrangements and/or that such alternative arrangements would be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that the Firm would be able to exercise contractual remedies under the agreements with counterparties, there can be no assurance that such remedies would be successful or avoid losses or delays, or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a counterparty utilized by investors of a Fund, or suppliers, vendors or service providers of a portfolio company become subject to Distress events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

Many counterparties require, as a condition to using their services (including lending services) that the Firm and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with such counterparty, which increases the risks associated with a Distress Event with respect to such counterparty. Although the Firm seeks to do business with counterparties that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, the Firm is under no obligation to use a minimum number of counterparties with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

#### Artificial Intelligence

The emergence of recent technology developments in artificial intelligence and machine learning such as OpenAI and ChatGPT (collectively, "Machine Learning Technology") can pose risks to the Firm, Funds, and their investments. While the Firm prohibits the use of Machine Learning Technology in substantial business activities, the Firm is nonetheless exposed to the risks of Machine Learning Technology from any uses of Machine Learning Technology that may be undertaken by the Firm personnel in contravention of the Firm's restriction, or by third-party service providers, portfolio investments, any counterparties to Funds, or their underlying investments, whether or not known to the Firm. Use of Machine Learning Technology involves the risk of inaccuracies or errors in the data utilized by Machine Learning Technology, may directly or indirectly create security or data risks, and may increase trademark, licensing, and copyright risks. Machine Learning Technology continues to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

#### Cybersecurity Threats

Disruptive, the Managers, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their Investors, despite the efforts of the Managers and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and its Investors. The use of internet or cloud-based programs, technologies, and data storage applications generally heighten these risks. The use of any such applications could subject the Firm, the Managers, a portfolio company, or the relevant Fund, to substantial losses, including losses relating to misappropriation of assets, intellectual property, or confidential information; corruption, deletion, or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial

actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state, or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds, or other assets, or otherwise to inflict harm. Disruptive was previously the subject of a cybersecurity incident in which no confidential information was breached. No further incidents or issues have been detected as of the date of this Brochure.

#### Business Continuity and Disaster Recovery

Disruptive's business operations could become vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes, and earthquakes), epidemics and pandemics (as further detailed below), terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although Disruptive has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies are planned for. If such business operations are disrupted or suspended for extended periods of time, the Clients will be adversely affected.

Disruptive has developed and tested a Business Continuity Plan ("BCP") to provide protocols in emergency situations. These procedures are designed to limit disruption in services and maintain efficient and effective operations. Disruptive has performed comprehensive Firm-wide business continuity and disaster recovery testing which has proven the Firm has a well-defined plan and its controls and policies are effective.

#### Public Health Emergencies

Any public health emergency, including but not limited to any outbreak, re-outbreak or mutation of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Fund and its investments and could adversely affect Disruptive's ability to fulfil a Fund's investment objectives. The extent of the impact of any public health emergency on a Fund's investments and operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, unemployment levels, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency could materially and adversely impact the value and performance of a Fund's investments, Disruptive's ability to source, manage and divest investments on behalf of a Fund and the ability to achieve a Fund's investment objectives, all of which could result in significant losses to the Investors. In addition, the operations of a Fund, its portfolio companies, and the Firm could be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

#### Impact of Government Regulation

Financial services companies operate in a highly regulated environment and are subject to extensive federal, state, self-regulatory organizations, and international legal and regulatory restrictions and limitations, as well as supervision, examination, and enforcement by regulatory authorities. Failure to comply with any of these laws, rules, or regulations, some of which are

subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties, fines, suspension or expulsion, and termination of deposit insurance, which may have a material adverse effect on a given portfolio company or on a Fund as a whole.

#### Side Letters

The Manager, without the approval of any Member, has discretion to alter the material terms and conditions of the Fund or any Interests within the Fund through an amendment to the Fund's LLC Agreement or a side letter with respect to one or more Members, including with respect to the terms relating to Carried Interest, provided that no such alteration may adversely affect the rights and privileges of any Member previously admitted to the Fund without such Member's consent. The Manager may enter into the Side Letters with one or more Members that alter, modify, or change the terms of the Interests held by such Members. The Side Letters may provide such Member(s) with additional and/or different rights (including, without limitation, the Carried Interest, withdrawal rights, informational rights, and other rights) than the other Members. The Fund is neither required to notify any or all of the other Members of any such Side Letters or any of the rights and/or terms or provisions thereof, nor is the Fund required to offer such additional and/or different rights and/or terms to any or all of the other Members; provided that any material variance from the terms and conditions of the Interests set forth in the LLC Agreement shall require the prior consent of the Subscribers to be admitted as Members of the Fund. Except as provided in the LLC Agreement, such agreements will be disclosed only to those actual or potential Members that have separately negotiated with the Manager for the right to review such agreements.

#### **Item 9: Disciplinary Information**

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On September 5, 2023, Disruptive was the subject of an order from the U.S. Securities and Exchange Commission. For purposes of the order, Disruptive without admitting or denying the findings was found to have violated Section 206(4) of the Advisers Act and Section 204(a) of the Investment Advisers Act of 1940, as amended, between 2019 and 2021, by failing to timely distribute fund audited financial statements, update its Form ADV upon distribution, and properly maintain representation of fund assets with a qualified custodian. At no time were investor assets exposed or at risk. Disruptive was censured, ordered to cease, and desist and directed to pay a \$225,000 civil money penalty. Upon becoming aware of the events giving rise to this order, Disruptive implemented enhanced procedures to prevent any future delays in the distribution of audited financial statements and related updates to its Form ADV as evidenced by Disruptive's timely distribution of 2022 audited financial statements for all funds in calendar year 2023 and the corresponding update to its Form ADV. Disruptive follows industry standard for private securities to ensure its funds' assets ownership is properly recorded with underlying issuer companies, investee funds, or asset purchase contracts.

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

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Disruptive Securities, LLC ("Disruptive Securities"), an affiliate of the Firm, is a FINRA member registered broker-dealer. Disruptive Securities acts as an investment bank and provides private placements and mergers and acquisitions advisory services that at times involve the Funds or holdings of the Funds. Disruptive Securities is compensated for the provision of such services in the form of placement fees. Such placement fees vary depending on factors including, but not limited to, the issuer, securities involved, and timing of such services provided. However, the Firm strives to ensure that such compensation is commensurate with that of other firms providing similar services, and that no Funds are disadvantaged by the selection of Disruptive Securities as a broker-dealer for the Funds.

Disruptive Acquisition Corporation I, an affiliate of the Investment Adviser, is a special purpose acquisition company ("SPAC"), which is a blank check company incorporated as a Cayman Islands exempted company (the "Affiliated SPAC") and formed for the purpose of effecting a merger, share exchange, asset acquisition, share repurchase, reorganization or similar business combination with one or more businesses. The SPAC's sponsor and management include certain of Disruptive's principals and employees that stand to benefit from their direct and/or indirect ownership in the SPAC and, accordingly, have a conflict of interest in determining whether a particular target business is an appropriate business with which to effectuate a business combination.

As noted in Item 4 above, DTA II LLC and DTA Liquidity Fund I GP, LLC, relying advisers and affiliates of the Investment Adviser, are the Managers of the Funds.

In addition, Mr. Davis is a registered representative of Disruptive Securities, LLC. Mr. Davis, in such capacity, will at times participate in brokering purchases and sales of Company Securities and will receive compensation in connection with such transactions. It is contemplated that, in certain circumstances, Investors of the Funds or other Investors may wish to co-invest with the Funds in connection with opportunities to acquire Company Securities. Mr. Davis will receive compensation related to such out-of-Fund investments.

Disruptive and its affiliates will devote such time as shall be necessary to conduct the business affairs of the Funds in an appropriate manner. Neither Disruptive nor any of Disruptive's affiliates or employees are required to devote all their entire time and attention to the affairs of the Funds or of any one of the Funds, but are, nonetheless, expected to commit a substantial portion of their time and attention to the Funds. However, Disruptive and its employees may also have organized or may in the future become involved in, other business ventures, and, as such, they could have incentives to favor certain of these other ventures over the Funds. The Funds will not share in the risks or rewards of such other ventures, and such other ventures might compete for the time and/or attention of Disruptive, its employees, or its affiliates. This may create other conflicts or potential conflicts of interest.

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

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### **Code of Ethics**

Disruptive has adopted a Code of Ethics for the Firm describing its high standard of business conduct and fiduciary duty to its Investors. The interests of the Funds must always be recognized, respected, and have precedence over Disruptive and its employees. The Code requires that Disruptive employees and certain associated persons act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to the extent reasonably possible, and identify and mitigate conflicts of interest to the extent they arise. Disruptive employees are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by Disruptive or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of Disruptive's personnel (see below). The Code also addresses (i) policies and procedures concerning the prevention of insider trading; (ii) restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items; and (iii) addresses the pre-clearance and reporting of political contributions and outside business activities. All Disruptive employees must at least annually attest to the terms of the Code of Ethics.

As a fiduciary, Disruptive owes an undivided duty of loyalty to and will act in the best interest of the Funds and its Investors. It is the Firm's policy that all employees conduct themselves so as to avoid not only actual conflicts of interest with Fund Investors, but also so they refrain from conduct which could give rise to the appearance of a conflict of interest that compromises the trust Investors have placed in Disruptive and its employees.

Disruptive's Code of Ethics is available to Investors upon request by contacting its Compliance Department at [compliance@disruptive.tech](mailto:compliance@disruptive.tech).

### ***Participation or Interest in Client Transactions***

Disruptive serves as the investment adviser to the Funds. Employees, affiliates of the employees, and relatives of the employees are permitted to make investments in the Funds if they meet the requirements to be considered an accredited investor or satisfy the requirements of a "Knowledgeable Employee".

Disruptive, its affiliates and employees have a financial interest in the Funds through a carried interest and/or a direct investment interest. As such, Disruptive could be considered to have recommended to Investors that they buy or sell securities or investments in which Disruptive or a related person has some financial interest. However, Disruptive and its affiliates and employees act in the best interest of the Funds and Investors and any such material conflicts that arise will be adequately disclosed.

### ***Personal Trading***

Disruptive has implemented a structured employee investment policy with pre-approval for certain investments or trades made by employees and periodic reporting requirements. The Firm will only approve such trade requests so long as the transaction does not harm or disadvantage the Funds or Investors.

## **Item 12: Brokerage Practices**

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As an adviser to a private equity fund, Disruptive does not generally make investments in securities listed on national exchanges. If there were a situation where Disruptive would place a trade(s) through a broker, Disruptive would seek "best execution" and take all reasonable steps to obtain the best possible result, taking into account broker's reputation, net price or spread, financial strength and stability, market access, efficiency of execution and error resolution, and the size of the transaction. Disruptive would not be obligated to obtain the lowest commission or best net price for the Fund on any particular transaction. In addition, if the private Company Securities that the Funds invest in become publicly listed, the Funds may utilize broker-dealers in exiting their investments.

At this time, Disruptive does not engage in "soft dollar" arrangements with broker-dealers; does not typically consider referrals when selecting or recommending a broker-dealer; and does not typically engage in directed brokerage. In addition, as each Fund invests in only one company's securities, Disruptive does not typically aggregate the purchase or sale of securities for multiple Funds. From time to time, when more than one Fund invests in the same security, Disruptive will seek to aggregate the sale of securities held among those Funds to achieve more efficient execution. Disruptive will allocate the trade proceeds on a pro-rata basis among Fund investors.



**Item 13: Review of Accounts**

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Review of Accounts

The CCO or his delegate will review the Funds on a continual basis to assure conformity with investment objectives and guidelines.

Client Reports

Investors will receive interim reports during the course of each fiscal year as deemed appropriate, which include: (a) a statement as to the estimated value of the Fund's Investments; and (b) annual tax information necessary for the completion of U.S. federal, state, and local income tax returns.

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

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Disruptive does not receive economic benefit for providing investment advice or other services to the Funds other than the fees payable to the Firm as described in the offering memorandum of each Fund.

For certain Funds, Disruptive has and will enter into third party marketing arrangements with Firms to introduce qualified U.S. investors as set forth under their respective agreement; and with Firms to introduce qualified non-U.S. Investors in specific jurisdictions as set forth under their respective agreement, in each case, in exchange for a portion of the Advisory Fee payable with respect to the relevant Fund. Investors will not incur additional fees as a result of these arrangements. Investors should be aware that the receipt of compensation by a placement agent or other third party could create a conflict of interest and affect the judgment of the placement agent or other third party, when making a recommendation for an investment in the Funds advised by the Firm.

**Item 15: Custody**

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The SEC takes the position that typically advisers or general partners to pooled investment vehicles are deemed to have custody with respect to the assets of such vehicles. In order to comply with the Custody Rule, the Firm intends to adhere to the applicable requirements of the Custody Rule with respect to each Fund for which Disruptive or DTA II LLC serves as Manager or where DTA Liquidity Fund I GP, LLC serves as General Partner or Manager. The Firm's Chief Financial Officer will be responsible for arranging the annual independent financial audits of the Funds by an independent auditor in accordance with generally accepted accounting principles and for delivery of the Funds' audited financial statements to Investors within 120 days of the Funds' fiscal year end, as required by the Custody Rule.

**Item 16: Investment Discretion**

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Subject to any investment restrictions set forth in the PPM of the Funds, Disruptive has discretionary authority to make the following determinations without obtaining the consent of the Funds or Investors before the transactions are effected:

- the investments that are to be bought or sold; and
- the total amount of the investment to be bought or sold; and
- the brokers, investment banks or placement agents through which securities are to be bought or sold; and

- the commissions, fees, or other rates at which transactions for the Funds are affected.

Disruptive's discretionary authority is derived from its authority as the adviser of the Funds and pursuant to an investment advisory agreement entered into by Disruptive or the respective Manager.

At this time, all assets are managed on a discretionary basis.

#### **Item 17: Voting Client Securities**

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The Funds typically will not obtain representation on the board of directors and the success of its investment will depend on the ability and success of the management of the companies, in addition to economic and market factors.

In the event that the Firm is presented with an opportunity to vote a proxy, the Firm's general policy is to vote proxies in accordance with the best interests of the Funds. The Firm generally intends to vote proxies in line with company management. However, under certain circumstances when the Firm believes that company management's proposal will not maximize value for the Funds, the Firm intends to vote against company management's recommendations. Information regarding the Firm's voted proxies as well as the Firm's proxy voting policies and procedures are available upon request.

#### **Item 18: Financial Information**

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Disruptive is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its Funds and the Investors.