

DFN Management LLC.

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Form ADV Part 2A

March 28, 2024

This Brochure provides information about the qualifications and business practices of DFN Management LLC. If you have any questions about the contents of this Brochure, please contact us at 866-296-4420. 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. We are a Registered Investment Adviser with the United States Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

Additional information about our firm is available at the SEC's website: www.adviserinfo.sec.gov (click on the link, select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

Item 2 – Material Changes

There are no material changes to report from our last filing.

In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov. We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form). If you would like a copy of this Brochure, please download it from the SEC website as indicated above or you may contact Nicholas Koen at 866-296-4420.

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Item 4 – Advisory Business

DFN Management LLC. (“DFN” the “Adviser” or the “Firm”), a Delaware limited liability company, commenced operations in September of 2015. The Firm’s home office is located in Tampa, Florida. The Firm is primarily owned by Donald Flagg, Amol Nirgudkar and Nicholas Koen (the “Principals”). The Principals serve as Managing Members of the Firm.

DFN provides investment advisory services to proprietary, private hedge funds that are offered to investors on a private placement basis (the “Funds”). DFN’s advisory business is currently focused on investing in two private hedge funds, the DFN Alpha 90/10 Fund LP and the DFN Alpha Advantage Fund LP. DFN generally provides investment management services through the Funds on a discretionary basis, where the Firm will serve as the general partner or manager for each of the Funds.

The DFN Alpha 90/10 Fund LP’s active portfolio consists of about 10% of the total portfolio size. The active portion of the portfolio invests and trades primarily in SPX (S&P 500) or other large U.S. index options. SPX options are cash settled and are considered one of most liquid traded options on the U.S. market.

DFN expects to use options on broad market indexes and volatility indexes to hedge portfolio risk from the above-mentioned holdings. The General Partner reserves the right to trade other securities and financial instruments, whether domestic or foreign, when the General Partner perceives that a favorable trading or investment opportunity exists. The Fund is expected to maintain approximately 90% of its portfolio balance invested in cash, cash equivalents, and highly liquid short-term instruments such as money market funds, U.S. Treasuries Bills, or equivalent ETF products. The Adviser may allocate a portion of such balance to longer term instruments, such as longer-term U.S. Treasuries or other fixed income investments, in circumstances deemed to be favorable.

The DFN Alpha Advantage Fund LP invests and trades in options on U.S. indexes as mentioned above. The fund primarily invests in both SPX and NDX index options. It also trades futures contracts on both the SPX and NDX (NASDAQ 100). DFN expects to use options on broad market indexes and volatility indexes to hedge portfolio risk. The General Partner reserves the right to trade other securities and financial instruments, whether domestic or foreign, when the General Partner perceives that a favorable trading or investment opportunity exists. The Advantage fund has a higher risk/return profile and is expected to maintain a much lower percentage of its portfolio balance in cash, cash equivalents and liquid instruments, relative to the DFN Alpha 90/10 Fund LP or place margin against its Treasury positions unlike the 90/10 Fund.

DFN’s Funds are not registered under the Securities Act of 1933, as amended, nor registered under the Investment Company Act of 1940, as amended. Accordingly, interests in the Funds are offered exclusively to investors satisfying the applicable eligibility and suitability requirements in private placement transactions within the United States. No offer to sell interests in any Fund is made by the descriptions in this Brochure. Generally, only persons who are “accredited investors” (as such term is defined in Rule 501 of Regulation D under the Securities Act) may purchase interests in the Funds.

DFN manages the day-to-day activities of the Funds, as well as the investment portfolios of the Funds. Their services are tailored specifically to each Fund. The Funds are not tailored to the individual needs and objectives of the beneficial owners of the Funds. DFN will ensure that investment objectives and guidelines of the Funds are adhered to by actively selecting investments and monitoring the existing investments.

DFN may advise other clients and investment vehicles in the future.

As of December 31, 2023, DFN managed approximately \$155,429,716 in assets on a discretionary basis with no assets on a non-discretionary basis.

Item 5 – Fees and Compensation

Management Fees

The offering or transactional documents (e.g., offering memoranda and other governing documents, which include but are not limited to, operating agreements, fee agreements and side letters) (such documents “Materials”) for each Fund contain a detailed description of the fees applicable to an investment in such Fund. Such fees may include an annual asset-based management fee and/or one-off management or transaction fees with respect to investments consummated by a Fund. Additionally, DFN may be entitled to receive carried interest distributions or other performance-based compensation with respect to one or more of the Funds. Except to the extent provided in a side letter with respect to certain investors, such fees are typically not negotiable.

To the extent any Fund is subject to an ongoing management fee with respect to DFN, such management fee will generally be paid monthly in arrears. Any such management fees may be waived or modified at the sole discretion of DFN.

Performance Fees

DFN may be allocated or paid performance-based compensation with respect to one or more Funds. To the extent DFN is entitled to performance-based compensation, it will generally be paid at the close of each fiscal year in connection with distributions to the Fund’s investors, or as otherwise provided in such Fund’s Materials. Any such performance-based compensation may be waived or modified at the sole discretion of DFN. It is critical that investors and prospective investors refer to the relevant Fund’s Materials for a complete understanding of how DFN is compensated for services.

Expenses

Generally, each Fund is responsible for its own expenses, which typically include operational expenses and transaction costs related to the assets held in such vehicle, as well as legal and accounting expenses and other fees and expenses as set forth in more detail in each Fund’s Materials.

Conflicts of Interest

Potential conflicts of interest are present in connection with the receipt by DFN of ongoing management and performance-based fees from the Funds. Except as performance affects asset size and thus the amount of the management fee, ongoing management fees are payable without regard to the overall success or income earned by a Fund. This may create an incentive on the part of DFN to raise or otherwise increase assets under management to a higher level than would be the case if DFN were receiving a lower or no management fee. Performance-based fees paid to DFN creates certain inherent conflicts of interest with respect to DFN’s management of assets. DFN may cause a Fund to pursue investments that involve significantly greater risk than would be the case under other economic arrangements.

Item 6 – Performance-Based Fees and Side-By-Side Management

DFN receives performance-based compensation from one or more Funds, which are generally paid in the form of carried interest. This fee and related conflicts of interest are described in Item 5 of this Brochure. The possibility that DFN may receive performance-based compensation creates a potential conflict of interest, in that it may create an incentive for DFN to make investments that are riskier or more speculative than in the absence of such performance-based compensation. Investors in the Funds will be provided with clear disclosure as to how performance-based compensation is charged with respect to a particular Fund, and the risks associated with such performance-based compensation prior to making an investment. DFN recognizes that it is a fiduciary, and as such must act in the best interests of the Funds and its investors.

Item 7 – Types of Clients

DFN's Funds consist of pooled investment vehicles operating as private hedge funds. The investment minimum required varies by each Fund and is subject to lesser amounts being accepted at the discretion of the Firm to the extent permitted in the relevant Fund's Materials.

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

The Fund's strategies are based on quantitative research, all trading decisions ultimately require the exercise of judgment by the Adviser. The Firm may, at times, decide not to make certain trades, thereby foregoing participation in price movements which would have yielded profits or avoided losses. Investors cannot be assured that the strategies or methods used by DFN will result in profitable trading for the Fund.

As mentioned in Item 4, the DFN Alpha 90/10 Fund LP's active portfolio consists of about 10% of the total portfolio size. The active portion of the portfolio invests and trades primarily in SPX (S&P 500) or other large U.S. index options. SPX options are cash settled and are considered one of most liquid traded options on the U.S. market.

DFN expects to use options on broad market indexes and volatility indexes to hedge portfolio risk from the above-mentioned holdings. The General Partner reserves the right to trade other securities and financial instruments, whether domestic or foreign, when the General Partner perceives that a favorable trading or investment opportunity exists. The Fund is expected to maintain approximately 90% of its portfolio balance invested in cash, cash equivalents, and highly liquid short-term instruments such as money market funds, U.S. Treasuries Bills, or equivalent ETF products. The Adviser may allocate a portion of such balance to longer term instruments, such as longer-term U.S. Treasuries or other fixed income investments, in circumstances deemed to be favorable.

The DFN Alpha Advantage Fund LP invests and trades in options on U.S. indexes as mentioned above. The fund primarily invests in both SPX and NDX index options. It also trades futures contracts on both the SPX and NDX (NASDAQ 100). DFN expects to use options on broad market indexes and volatility indexes to hedge portfolio risk. The General Partner reserves the right to trade other securities and financial instruments, whether domestic or foreign, when the General Partner perceives that a favorable trading or investment opportunity exists. The Advantage fund has a higher risk/return profile and is expected to maintain a much lower percentage of its portfolio balance in cash, cash equivalents and liquid instruments, relative to the DFN Alpha 90/10 Fund LP or place margin against its Treasury positions unlike the 90/10 Fund.

Investors in DFN's Funds should be aware that investing in the type of risk opportunities pursued by the Funds involves a significant risk of loss that investors should be prepared to bear. No guarantee or representation is made that a Fund will achieve its investment objective or that investors will not lose all or a substantial amount of their investment in such a Fund. The Fund's investment program entails substantial risks, and there can be no assurance that its investment objectives will be achieved. The practices of short selling, options trading, use of leverage and other investment techniques that may be employed by the Fund can, in certain circumstances, maximize the adverse impact to the Fund's investment portfolio.

A purchase of interests in a Fund is suitable only for investors of substantial financial means who can make a long-term investment, can bear the risk of loss of their entire investment in the Fund and have no need for liquidity of their investment.

Some of the risks associated with DFN's investment strategies, and the securities and other assets utilized to implement those strategies, include, but are not limited to, those listed below. For a complete list of risks associated with the management of these Fund's please consult the offering or transactional documents presented to Fund investors or potential Fund investors for consideration.

Management Risks

The Fund's success will depend on the management of the skill and acumen of the Firm's Principals. If the Principals should cease to participate in the Fund's business, the Fund's ability to select attractive trades and manage its portfolio would be severely impaired if a suitable replacement manager had not previously been identified or was not then promptly identified.

As an investor, you should be aware that you will have no right to participate in the management of the Fund, and you will have no opportunity to select or evaluate any of the Fund's investments or strategies. Accordingly, you should not invest in the Fund unless you are willing to entrust all aspects of the management of the Fund and its investments to the discretion of the Firm Principals.

Market Risks

All securities investments risk the loss of capital. No guarantee or representation is made that a Fund will achieve its investment objective or that investors will not lose substantially all of their investment. DFN selects investments for the Funds in part on the basis of publicly available information, information made directly available to DFN by companies involved. Although DFN evaluates all such information and seeks independent corroboration when DFN considers it appropriate and when it is reasonably available, DFN is not in a position to confirm the completeness, genuineness or accuracy of all such information.

Investments in securities and other financial instruments and products that are subject to market forces risk the permanent loss of capital as a result of adverse market developments, which can be unpredictable. To the extent that a portfolio is concentrated in any one particular strategy, the risk of any incorrect investment decision is increased. Each strategy exposes the Funds capital to the risk of an extremely rapid and severe decline in value in the event of a sudden change in the level of volatility (e.g., a market crash) that is not anticipated by DFN.

ETF Risks

Because ETFs are, by definition, portfolios of securities, DFN believes that the unsystematic risk associated with investments in ETFs is generally very low relative to investments in ordinary securities of individual issuers. However, there are events that can trigger sharp and sometimes adverse price movements in ETFs that are not related to movements of the market in general. These events include, but are not limited to, surprise dividends, changes to regular dividend amounts, announcements of rights offerings and possible surprise revisions to net asset values. Although the Fund does not currently expect to invest directly or indirectly in leveraged ETFs, the use of leveraged ETFs can result in unique and often difficult to assess risks. In addition, the Investment Company Act places certain restrictions on the percentage of ownership that a private investment fund, such as the Fund, may have in an ETF.

Interest Rate Risk

Portfolios may be subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. DFN may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures, and/or interest rate options. However, there can be no guarantee that DFN will be successful in fully mitigating the impact of interest rate changes on the Funds.

Domestic and Foreign Equity Risk

Equity securities fluctuate in value in response to many factors, including the activities, results of operations, and financial condition of individual companies; the business market in which individual companies compete; industry market conditions; interest rates; and general economic environments. In addition, events such as domestic and international

political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by a fund.

The Fund's investments in ETFs that hold securities of non-U.S. issuers may involve unique risks compared to investing in securities of U.S. issuers, including less market liquidity, generally greater market volatility than U.S. securities and less complete financial information than for U.S. issuers. In addition, adverse political, economic or social developments could undermine the value of the Fund's investments or prevent the Fund from realizing the full value of its investments. Financial reporting standards for companies based in foreign markets differ from those in the United States. As a result, investors in the securities of such companies may lack accurate and/or complete information with respect to such companies, which may result in inaccurate market prices for such securities.

Derivatives, Futures and Options Risk

Derivatives trading is highly speculative. Price movements of derivative contracts are influenced by, among other things, changing supply and demand relationships, governmental agricultural and trade programs and policies, and national and international political and economic events. DFN invests in options, including buying and writing "uncovered" puts and calls. The prices of many derivative instruments, including many options, are highly volatile. The value of options also depends upon the price of the securities underlying them. Price movements of options contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Additionally, the Fund is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of volatility of the underlying securities. Accordingly, options on highly volatile securities may be more expensive than options on other investments.

Futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events, and changes in interest rates. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage may be typical of investing in futures trading. As a result, a relatively small price movement in a futures contract may result in substantial losses. Futures are speculative, and their use involves risk. Specific market movements of a futures contract underlying an option cannot be predicted and no assurance can be given that a liquid offset market will exist for any specific futures option at any particular time.

Illiquid Investments

An investment in the Fund involves substantial restrictions on liquidity and its Interests are not freely transferable. There is no market for the Interests in the Fund, and no market is expected to develop. Additionally, transfers are subject to the consent of the Fund General Partner, which consent may be granted or withheld in the General Partner's sole discretion. Consequently, investors will be unable to liquidate their Interests except by withdrawing from the Fund in accordance with the Partnership Agreement. Investors may be unable to liquidate their investment promptly in the event of an emergency or for any other reason. Although investors may attempt to increase their liquidity by borrowing from a bank, our Fund loan program, or other institution, interests may not readily be accepted as collateral for a loan, except for the Fund's loan program. In addition, the transfer of an Interest as collateral or otherwise to achieve liquidity may result in adverse tax consequences to the transferor.

Cybersecurity Risk

With the increased use of technologies such as the Internet to conduct business, the Adviser and its managed Funds are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services

unavailable to intended users). Cyber incidents affecting the Adviser, sub-adviser(s) and other service providers (including, but not limited to, administrators, accountants, law firms, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability of the Funds and/or investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a fund invests, counterparties with which a fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and other service providers for the Funds) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While a funds service providers may have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, DFN cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect a fund. As a result, the Funds could be negatively impacted.

Item 9 – Disciplinary Information

There have been no disciplinary actions taken against DFN or any members of its management team.

Item 10 – Other Financial Industry Activities and Affiliations

DFN is not registered, nor does it plan to register as a broker-dealer and does not have any management persons who are registered representatives of a broker-dealer. The Firm is not registered nor plans to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, and does not have any personnel who are associated persons of the foregoing entities. The Firm or its management persons do not have any relationship or arrangement that is material to the Firm's advisory business or its clients with any registered entity that is related to it. The Firm does not recommend or select other investment advisers for its clients and does not receive compensation directly or indirectly from any investment advisers.

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

DFN has adopted a Code of Ethics pursuant to SEC Rule 204A-1 for all employees of the Firm. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees at DFN must acknowledge in writing the terms of the Code of Ethics annually, or as amended. DFN will provide a copy of the Code of Ethics to any investor or prospective investor in its Funds, or any prospective sub-advisory client upon request.

General Categories of Conflicts

Investors should be aware that there will be occasions when the Firm may encounter potential conflicts of interest in connection with its Funds' activities. On any issue involving conflicts of interest, DFN will be guided by its good faith judgment. If any matter arises that DFN determines in its good faith judgment constitutes an actual conflict of interest, DFN may take such actions as may be necessary or appropriate to mitigate the conflict (and upon taking such actions DFN will be relieved of any responsibility for such conflict). Any transaction that may present a conflict of interest shall be handled in a manner complying with the Investment Advisers Act and Section 206. The following discussion lists certain potential conflicts of interest, which should be carefully evaluated before making an investment with DFN. By acquiring an interest in a Fund, each investor will be deemed to have acknowledged the existence of any actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Services of DFN and its Principals

DFN and its Principals are responsible for the organization and management of the Funds. Because each of the Funds may employ a similar investment strategy, DFN may have conflicts of interest in allocating management time, services and functions among the Funds.

Allocation of Investment Opportunities

DFN is responsible for the investment decisions made on behalf of the Funds. DFN may also become responsible, directly or indirectly, for investment decisions made on behalf of other investment vehicles and accounts to be formed in the future. DFN may take action with respect to one Fund that differs from that taken with respect to another Fund or such other future pooled investment vehicles or accounts. To the extent a particular investment is suitable for more than one Fund, the investment will be allocated between those Funds pro rata based on assets under management or in some other manner that DFN determines is fair and equitable to all Funds under the circumstances.

DFN will not be obligated to make, purchase or sell for each of its Funds every investment that is made, purchased or sold for other Funds, as some transactions or investments may appear unsuitable, impractical or undesirable for certain Funds. In addition, certain investments may not be permitted to be pursued by certain Funds. Accordingly, there are a variety of reasons why investment opportunities may be allocated on a basis other than on a pro rata basis. DFN, to the extent within its control, will not favor itself in any way to a Fund's detriment and will act in a manner that it believes over the long term is fair and equitable to all Funds.

Transactions between Clients

DFN may elect to effect purchase and sale transactions between two Funds with respect to particular investments; provided that (i) each such transaction is effected at a price that is fair to the Funds on both sides of the trade, (ii) neither DFN nor any of its affiliates may receive any compensation for effecting the trade and (iii) the transaction is in the best interests of the Funds on both sides of the transaction.

Carried Interest

DFN receives performance-based compensation from one or more Funds, which is generally paid in the form of carried interest. This method of compensation presents a potential conflict of interest whereby, DFN may cause a Fund to pursue investments that involve significantly greater risk than would be the case under other economic arrangements. Due to the nature of its business, DFN does not recommend to clients, or buy or sell to clients, securities in which DFN or a related person has a material financial interest.

Item 12 – Brokerage Practices

DFN is responsible for the placement of the portfolio transactions of the Fund and the negotiation of any commissions paid on such transactions. Portfolio securities normally are purchased through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio instruments through brokers involve a commission to the broker. Purchases of portfolio securities from dealers serving as market makers include the spread between the "bid" and the "ask" price. The Adviser will not commit to provide any level of brokerage business to any broker. DFN may utilize the services of one or more introducing brokers who will execute the Fund's brokerage transactions through the Prime Broker (or other broker and custodian who will clear the Fund's transactions).

DFN may use soft dollars generated by the Fund's transactions to pay for research, products and services that fall within the safe harbor afforded by Section 28(e) of the Exchange Act, or for products or services the expenses of which would

otherwise be required to be paid by the Fund. Any soft dollars generated by trading on behalf of the Fund and the Firm's other clients will be allocated and used for the benefit of the Fund and such clients in an equitable manner.

Item 13 – Review of Accounts

DFN's Principals supervise the Funds continuously. The Funds' investments are also formally reviewed on a monthly basis. DFN reviews the financial performance of the Funds' assets to the extent required by the Materials of each Fund, engages and manages an auditor for such Funds, furnishes such Funds with the monthly and annual reports, and assists in determining the value of other aspects of the assets of each Fund.

Item 14 – Client Referrals and Other Compensation

The Firm does not have any third parties who provide investment advice or other advisory services to its clients.

Item 15 – Custody

Rule 206(4) – 2 of the Investment Advisers Act (known as the "Custody Rule") requires advisers with custody to maintain client funds and securities with "qualified custodians." Qualified custodians include banks, registered broker-dealers, and certain foreign custodians. If the Funds have appointed a custodian (the "Custodian") to hold certain of the Funds' assets, the Custodian shall furnish to DFN and the Funds, and DFN shall furnish to the Custodian, such reports concerning receipts and disbursements with respect to the Funds' assets. DFN has elected to use J.P. Morgan Private Bank, Interactive Brokers, and Wells Fargo Bank N.A as its Custodian for all its Funds and investment assets. For those assets not held with a Qualified Custodian, DFN holds custody of those assets. As such, DFN will have each of the Funds (i) audited annually; (ii) the audited financial statements be prepared in accordance with U.S. Generally Accepted Accounting Standards ("GAAP") (or the international equivalent); and, (iii) the audited financial statements will be distributed to all investors or other beneficial owners within 120 days of the end of its fiscal year or within 180 days for multi-manager funds. The Firm will arrange for the Funds to be audited in accordance with GAAP by an independent public accountant registered with, and subject to inspection by, the Public Company Accounting Oversight Board ("PCAOB").

Item 16 – Investment Discretion

DFN provides investment management and supervisory services on a discretionary basis on behalf of the Funds and may do so on a non-discretionary basis to sub-advisory clients. As described in Item 4, the advisory services provided by DFN are tailored to the investment objectives, investment strategy and investment restrictions, if any, as set forth in the Materials of each Fund.

Item 17 – Voting Client Securities

Due to the nature of DFN' investments, we normally do not hold voting securities. If a situation were to arise where securities are a component of our funds, we would be inclined to vote a proxy on behalf of our investors.

Item 18 – Financial Information

Registered investment advisers are required in some cases to provide certain financial information and/or disclosures about their financial condition. For example, if the firm requires prepayment of fees for six months in advance or has custody of client funds, it is required to disclose any condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients. DFN has no financial or operating conditions which trigger such additional reporting requirements. The Firm does not require the prepayment of \$1,200 in fees more than six months in advance.