

## **FIRM BROCHURE**

### **Dragoneer Investment Group, LLC**

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**This brochure provides information about the qualifications and business practices of Dragoneer Investment Group, LLC (“Dragoneer”). If you have any questions about the contents of this brochure, please contact us at 415-539-3085 and/or email: [pat@dragoneer.com](mailto:pat@dragoneer.com). 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.**

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

**Dragoneer is registered as an investment adviser with the SEC. SEC registration does not imply a certain level of skill or training.**

## **Item 2. Material Changes**

Dragoneer's initial Brochure was dated as of February 14, 2012, and was filed as part of its initial application to register with the SEC. An update was filed as of October 24, 2012. The material changes since the last update include the following: (a) Item 1 has been revised to reflect that Dragoneer has changed its place of business from Texas to California; (b) Item 4 has been revised to reflect Dragoneer's updated assets under management; (c) Item 5 has been updated to confirm that some clients pay research costs while others do not and that research expenses paid by one client may benefit clients who do not pay these costs; and (d) Item 6 has been revised to reflect that Dragoneer has adopted new trade allocation procedures consistent with its private fund offering documents, which discuss its methodology for allocation investment opportunities, including that the Dragoneer Funds (defined below) will receive the first right to certain investment opportunities in certain situations. Please review this Brochure carefully and in its entirety.

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#### Item 4. Advisory Business

Dragoneer is a Delaware limited liability company that was formed in February 2012. Dragoneer is wholly owned by its managing member, Marc Stad.

Dragoneer provides discretionary investment advisory services to (i) privately offered funds, or series of privately offered funds for which it acts as sponsor (each such fund or series, a “Fund” and together, the “Funds”) and (ii) persons or entities (including private funds) on a managed account basis for which Dragoneer does not act as sponsor (each such arrangement, a “Managed Account,” and the person(s) or entity(ies) funding a Managed Account, a “Managed Account Client”). For the purposes of this brochure, a “Client” will refer to a Fund (and not the investors in a Fund) and/or a Managed Account Client.

##### Funds.

Dragoneer currently serves as investment adviser to two Funds. Each Fund is exempt from registration as an investment company pursuant to Section 3(c)(7) of the Investment Company Act of 1940, as amended (“1940 Act”). Dragoneer seeks to achieve the investment objective of each Fund by utilizing a multi-disciplined investment approach, the foundation of which is rigorous company-specific fundamental analysis. Dragoneer invests in both public and private companies.

The Funds are organized in a mini-master feeder structure, consisting of an offshore feeder fund, the Dragoneer Global Offshore Feeder, L.P., and an offshore master fund, the Dragoneer Global Fund, L.P. (the “Dragoneer Offshore Feeder” and the “Dragoneer Master Fund,” respectively, and, collectively, the “Dragoneer Funds”). The Dragoneer Offshore Feeder is expected to invest substantially all of its assets in the Dragoneer Master Fund.

Dragoneer seeks to develop a concentrated portfolio of long-term equity stakes in companies with significant growth potential, sustainable competitive advantage, and excellent management. Dragoneer conducts primary research, seeking to understand the economics, competitive dynamics, and long-term prospects of the companies extraordinarily well. Dragoneer makes investments in these high quality companies when it believes they are priced at levels that offer the potential for excellent risk-adjusted returns. Investments are made in the open market or in negotiated placements. While these investments are frequently passive, Dragoneer’s research efforts and long-term orientation often lead to lasting relationships with corporate management teams. On occasion, Dragoneer may create co-investment structures designed to facilitate investments in specific deals.

For publicly traded securities, Dragoneer employs a long-biased, value-oriented strategy focusing primarily on investing and reinvesting each Fund’s assets principally in equities (but may invest in options, warrants, and debt securities) of U.S. and non-U.S. corporations traded on U.S. and non-U.S. securities exchanges and in the over-the-counter market.

### Managed Accounts.

Dragoneer works with each of its Managed Account Clients to develop investment guidelines based upon the Client's specific investment objectives. Managed Account advisory services are governed by written agreements ("Managed Account Agreements") between Dragoneer and the Managed Account Client. Dragoneer manages Managed Accounts under a broad range of mandates. Managed Account Clients may amend their investment guidelines as their needs change or impose restrictions on investing in certain securities or types of securities.

Further details regarding Dragoneer's management of the Funds and Managed Accounts is provided below in Item 8.

Dragoneer does not participate in any wrap fee programs.

As of December 31, 2012, Dragoneer managed approximately \$275,600,000 in Client assets.

### **Item 5. Fees and Compensation**

**Funds.** Dragoneer does not charge a management fee to the Funds. Dragoneer is entitled to receive reimbursement of certain expenses, including expenses incurred in connection with Dragoneer's analysis of the Funds' investments subject to a cap. In addition, the Fund is responsible for expenses of the Fund's operations, such as transaction expenses (*e.g.*, brokerage commissions), diligence, administrative, custody, legal, tax preparation, accounting, and any other expenses for services that the Funds or regulations require Dragoneer to obtain. The Funds also pay the fees and expenses of their prime brokers, futures commission merchants and administrators. In addition, the Funds pay Dragoneer a performance-based incentive fee of 25% of realized and unrealized net profits subject to a high water mark and certain other conditions. Investors should review the Funds' governing documents for complete information on the expense reimbursement and compensation payable Dragoneer with respect to the Funds.

The foregoing expenses and allocations are negotiable and may be reduced or waived in certain circumstances, including with respect to investors that are employees of Dragoneer and other persons affiliated and unaffiliated with Dragoneer.

**Managed Accounts.** The Managed Accounts' fee and compensation arrangements are established in the Clients' investment management and operating agreements with Dragoneer and its affiliates. These Managed Accounts have performance incentive fees and these Clients reimburse certain Dragoneer operating expenses. The Managed Account Clients pay quarterly management fees that are calculated with methodologies addressed in the Managed Accounts' client agreements. For management fees that are paid in advance, upon redemption or termination of the advisory relationship or upon an investment other than at the beginning of the normal investment cycle, Dragoneer will refund fees and/or charge that Client only for the actual period of time that Dragoneer provided advisory services.

Research-related costs are charged to some clients but not to other clients. Due to potential overlap among the Managed Accounts and Funds investment objectives and the

investment allocation process, research expenses charged to one client may benefit another client.

Neither Dragoneer nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Dragoneer's Clients are often charged both (i) a management fee and/or selected expense reimbursement and (ii) a performance allocation, as described above in Item 5. Performance allocations are structured to comply with Section 205 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Performance allocations may create an incentive for Dragoneer to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. In addition, Dragoneer may face a conflict of interest in managing a number of Funds and Managed Accounts at the same time because Dragoneer may have an incentive to favor Funds or Managed Accounts where Dragoneer receives a higher performance allocation from one Fund or Managed Account than the others. Dragoneer seeks to address this conflict of interest through the disclosure of its trade allocation policies and procedures, which generally require that portfolio managers and traders allocate investment opportunities that fit within the investment objectives of Dragoneer Funds first to the Dragoneer Funds (whose investors include the Managed Account Clients) and then to other Clients if there is available additional investment capacity. The trade allocation policies and procedures set forth certain exceptions to this general rule, including, for example, when investment opportunities are sourced by a Managed Account Client or constitute a follow-on offering for a prior investment made by a Managed Account Client. In addition, it is expected that the Dragoneer Funds will generally not invest in new issues or private companies seeking equity investments of less than \$5 million.

Performance allocations may also create an incentive for Dragoneer to make investments that are riskier or more speculative than would be the case in the absence of a financial incentive based on the performance of investments held by a Client. Dragoneer monitors the investments made for Clients on an ongoing basis, and endeavors to ensure that investments made for the Clients are appropriate without regard to the potential for performance-based fees.

Dragoneer anticipates the vast majority of its public company investments and its larger private company investments will take place in the Funds going forward. However, it plans to continue making certain investments for Managed Accounts, such as smaller private investments, investments in new issues, and certain other investments that are not consistent with the Funds' investment objectives. The Funds have an advisory board of independent investors to consult on certain allocation issues as they arise. Our allocation policy is discussed in our Compliance Manual and the Funds' private placement memorandum.

#### **Item 7. Types of Clients**

Dragoneer intends to provide investment advice to Funds and the Managed Account Clients, as discussed in Item 4 above. Dragoneer may advise different types of clients in the future.

Each investor in the Clients (“Investor”) must generally be an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended (“1933 Act”), and either (1) a “qualified purchaser” under the 1940 Act, (2) a “qualified client,” as defined in Rule 205-3 under the Advisers Act, or (3) a “knowledgeable employee” as such term is defined in Section 2(a)(51) of the 1940 Act. Additional restrictions may apply, and are set forth in the offering or organizational documents for each Fund.

The minimum investment in the Dragoneer Funds, subject to waiver, is \$10,000,000. Because the Dragoneer Funds are closed-end funds, investors may generally not redeem their investment in the Fund.

Each Managed Account will typically be structured to accommodate the investment guidelines and control requirements of its particular investors. The conditions for starting and maintaining a Managed Account will vary with the circumstances of each Managed Account and be negotiated and set forth on an individual basis in the relevant Managed Account Agreement.

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

The methods of analysis and significant investment strategies used by Dragoneer with regard to the Funds are set forth below. The methods of analysis and significant investment strategies used by Dragoneer with regard to Managed Account Clients vary depending on the needs of each Managed Account Client, but are expected to be comparable to those described below for the Funds.

Returns on investments in the Funds and Managed Accounts are not guaranteed; the instruments in which the Funds and Managed Accounts invest may lose value. An investment in a Fund or Managed Account involves a risk of loss that an Investor or Managed Account Client should be prepared to bear.

*Significant Strategies and Methods of Analysis.* Dragoneer will seek to achieve the investment objective of each Fund and Managed Account by utilizing a multi-disciplined investment approach, the foundation of which is rigorous company-specific fundamental analysis. Dragoneer invests in both public and private companies, depending on the strategy of the vehicle.

Dragoneer seeks to develop a concentrated portfolio of long-term equity positions in companies with significant growth potential, sustainable competitive advantage, and excellent management. Dragoneer conducts primary research, seeking to understand the economics, competitive dynamics, and long-term prospects of the companies in which Dragoneer seeks to invest. Dragoneer makes investments in these high quality companies when it believes they are priced at levels that offer the potential for excellent risk-adjusted returns. Investments are made in the open market or in negotiated placements. While these investments are frequently passive, Dragoneer’s research efforts and long-term orientation often lead to lasting relationships with corporate management teams. On occasion, Dragoneer may create co-investment structures designed to facilitate specific investments.

For Funds and Managed Accounts comprised of publicly traded securities, Dragoneer employs a long-biased, value-oriented strategy focusing primarily on investing and reinvesting each Fund's assets principally in equities (but may invest in options, warrants, and debt securities) of U.S. and non-U.S. corporations traded on U.S. and non-U.S. securities exchanges.

Dragoneer's value-oriented strategy is a research-intensive approach that requires the identification and detailed evaluation of securities offering a favorable risk/return profile. Dragoneer does much of its own primary research and believes that intense, thorough analysis will provide the Funds with a competitive advantage. In many cases, independent, fundamental analysis and a deep network of contacts help create the opportunity to find and capitalize on investment opportunities that are not easily accessible or are misunderstood or overlooked by large institutions and other market participants. In certain cases, this research will help identify which companies are suitable to be held as long-term positions and, occasionally, which companies are more appropriately considered as shorter-term opportunities.

The fundamental research required by this strategy typically includes an analysis of a company and its competitors' financial statements, as well as meetings with and/or diligence on a company's management, its competitors, customers, and suppliers. Other sources of information to be considered include industry consultants, trade shows and publications. In many cases, these sources coupled with the investment professionals' experience offer a different perspective on a situation than "the market" offers, and allows Dragoneer to reach an independent assessment surrounding value. Dragoneer manages the portfolio actively throughout the duration of these events to help control the risk and maximize the return from any particular situation.

Dragoneer has a broad and flexible investment mandate and applies no arbitrary criteria with respect to the size or industry of the companies in which it invests. There is no assumed or "ideal" mix of such investments, as Dragoneer endeavors to allocate capital among those opportunities it believes to offer the most attractive risk-adjusted potential returns while always being aware of and responsive to changing market conditions.

There can be no assurance that the Funds and Managed Accounts will achieve their investment objectives or avoid substantial losses.

*Material Risks.* The material risks of investing in the Funds and Managed Accounts are as follows:

- *Market risk.* Prices of the securities held by the Funds and Managed Accounts will fluctuate sometimes rapidly and unexpectedly. These fluctuations may cause the price of a security to decline for short- or long-term periods and cause the security to be worth less than it was worth when purchased by the Fund or Managed Account.
- *Business Risks; Economic Conditions.* Investments are subject to risk from changes in the economic climate, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws, the competency of management, and innumerable other factors, in a similar way to other industrial or commercial



companies. None of these conditions are within the control of Dragoneer. For these and other reasons, there can be no guarantee that companies in which the Funds or Managed Accounts invest will develop as anticipated or that the consistent, absolute returns sought will actually be achieved.

- *Portfolio Concentration.* Dragoneer expects to maintain Client assets in relatively concentrated portfolios. The limited number of investments and the extent to which portfolio investments are concentrated may cause the performance of the investment vehicles to be more volatile than the performance of a more diversified investment product.
- *Value Investing.* An investment in a Fund or Managed Account is not, by itself, a complete or balanced investment program. Because Dragoneer buys securities that it considers undervalued by the market, there is a risk that the market will not recognize a security's intrinsic value. There is also a risk that the securities Dragoneer believes to be undervalued are actually appropriately priced due to problems that are not yet apparent. In addition, a value investment approach can undergo cycles of greater or lesser investor interest; and, therefore, may lead to a decrease in the prices of the stocks in a portfolio.
- *Dependence on Key Personnel.* As Dragoneer's managing member, Marc Stad will have the responsibility for investment analysis and the ability to retain and terminate others who have the authority to make investment decisions on behalf of Dragoneer with respect to the Funds and Managed Accounts. If Mr. Stad becomes incapacitated or are otherwise no longer able to provide his services to Dragoneer, that may affect its ability to make management and investment decisions on behalf of Clients.

Dragoneer believes that the Funds and Managed Accounts may be subject to additional material risks and special considerations, which may not be subject to mitigation, as explained below:

- *Recent Market Conditions.* Events in the financial sector in recent years have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign, and in the net asset values of many investment funds. These events have also decreased liquidity in some markets and may continue to do so. Because the situation is unprecedented and widespread, it may be unusually difficult to identify both risks and opportunities using past models of the interplay of market forces, or to predict the duration of these market events.
- *Equity Securities.* Investment in equity securities involves certain risks, including issuer, industry, market and general economic related risks. Dragoneer may attempt to reduce these risks; however, adverse developments or perceived adverse developments in one or more of these areas could cause a substantial decline in the value of equity securities owned by a Fund or Managed Account.
- *Listed Options.* Purchasing options involves the risk that the underlying futures contract or other instrument does not change in price in the manner expected, so that

the option is worthless when it expires and the investor loses its premium. Selling naked options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying futures contract or other instrument in excess of the premium payment received.

- *Debt and Other Income Securities.* Debt and other income securities are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. Market risk relates to the changes in the risk or perceived risk of an issuer, country or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities.
- *Derivatives.* The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks, such as interest rate risk, market risk, and credit risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate, or index. With an investment in a derivative instrument, an investor could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances.
- *Illiquid Securities.* Funds and Managed Accounts that trade publicly-traded securities may also hold some positions that are illiquid. During certain market conditions, a Fund or Managed Account might not be able to dispose of these illiquid securities promptly or at reasonable prices and might thereby experience difficulty satisfying redemptions. There can be no assurance that a liquid market will exist for any security at any particular time. Any security, including securities determined by Dragoneer to be liquid, can become illiquid. Moreover, Funds and Managed Accounts will invest in private, unregistered securities. Positions in these securities may be difficult or impossible to liquidate. Valuations of such illiquid positions may involve uncertainties and assumptions, and if such valuations should prove to be incorrect, the net asset value of the Fund or Managed Account could be adversely affected.
- *Risk Inherent in Private Equity and Venture-Stage Investments.* The private investments we identify will involve a high degree of risk. In general, the financial and operating risks confronting these companies may be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there is no assurance that investors will be adequately compensated for risks taken.

Early stage and development stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing, and

general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing that may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

Investments in more mature companies in the expansion or profitable stage also involve substantial risks. In certain cases, the companies may have previously obtained capital in the form of debt or equity to expand rapidly, reorganize operations, acquire a business, or develop new products and markets. By definition, these activities involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

- *Foreign Securities.* Investment in equity or debt securities of non-U.S. issuers may involve certain special risks due to economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive or less rigorous accounting reporting and disclosure requirements than domestic issuers. The securities of some foreign governments and companies and foreign securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets.

## **Item 9. Disciplinary Information**

Dragoneer has no applicable information to disclose on this item.

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

Neither Dragoneer nor any of its management persons is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”) or commodity trading advisor (“CTA”). In addition, neither Dragoneer nor any of its management persons is an associated person of an FCM, a CPO or CTA.

Dragoneer (or a related person or designee) typically holds an investment in Client investment vehicles and therefore may be viewed as having an incentive to favor such Client investment vehicles. As described in the response to Item 6, Dragoneer has adopted controls, such as its allocation policy, that are intended to mitigate any incentive Dragoneer has to favor one Client over others.

Dragoneer does not recommend or select other investment advisers for its Clients, although it may do so in the future.

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

Dragoneer has adopted a Code of Ethics (“Code”) pursuant to Rule 204A-1 under the Advisers Act. All “access persons” (including employees, managers and officers) of Dragoneer must comply with the Code. The Code states that Dragoneer personnel must always place the interests of Dragoneer’s Clients first. The Code sets forth standards of conduct expected of Dragoneer’s personnel, which reflect the fiduciary obligations of Dragoneer and its personnel to its Clients, and requires Dragoneer’s personnel to comply with applicable federal securities laws. The Code also requires any employee of Dragoneer to report potential violations of the Code promptly to the Chief Compliance Officer (“CCO”). Dragoneer provides each employee with a copy of the Code and any amendments, and employees are required to provide a written acknowledgement that they have received the Code, as amended from time to time.

Under the Code, access persons must submit an annual report of brokerage accounts and holdings along with an annual acknowledgement and certification stating that the individual will comply with the Code. The Code further requires personnel to submit quarterly transaction reports (or brokerage statements) that detail the individual’s securities transactions for the quarter, and requires the CCO to review those reports. Finally, the Code also contains restrictions on the use of insider information and non-public information regarding a Dragoneer Client.

Dragoneer keeps records of reports and other information that access persons are required to provide under the Code. The CCO reports on issues that arise under the Code to Dragoneer’s senior management at least annually. Clients and prospective clients can obtain a copy of the Code upon request by contacting Pat Robertson by telephone (415-539-3085) or by email (pat@dragoneer.com).

Dragoneer may, from time to time, facilitate the purchase and sale of securities between two Clients. Dragoneer will seek to effect such transactions between Clients only if it determines that doing so would be in the best interest of each Client involved. Dragoneer will consider all relevant factors in making this determination, including without limitation the availability of the underlying securities in the marketplace, execution costs and the potential effect on the Clients of executing purchase and sale transactions in the underlying securities in the marketplace. Dragoneer does not consider such transactions to be principal transactions. Nevertheless, if Dragoneer believes that a transaction between or among Clients may be deemed to be a principal transaction, Dragoneer will observe the following procedures:

- Dragoneer will disclose all information that Dragoneer believes is material regarding a potential transaction to the Clients involved in it, and obtain their prior written consent to the transaction.
- Dragoneer may not set the price of the security being traded.
- Dragoneer may not receive any compensation (other than its advisory fee) in connection with the transaction.

## Item 12. Brokerage Practices

Each of the Managed Accounts has a small list of preferred brokers. While Dragoneer has some flexibility in its choice of brokers, it generally trades with the brokers with which its Managed Accounts have pre-existing relationships. By limiting the choice of brokers, Dragoneer may not be able to obtain best execution for client transactions, which could lead to higher brokerage costs, among other things.

In the absence of specific instructions from a Client, Dragoneer's policy is to arrange for the execution of transactions for publicly traded securities in Client accounts through brokers, dealers, foreign exchange brokers, or other lawful persons, intermediaries or clearing entities (each, a "Broker") that Dragoneer reasonably believes provide best execution of all transactions under circumstances. As "best execution" involves both qualitative and quantitative factors, it is not always synonymous with the lowest brokerage commission. Consequently, in a particular transaction a Client may pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction. Dragoneer is responsible for determining what securities will be purchased and sold for each Client and selecting the Brokers to execute the transactions on behalf of Clients. Purchases and sales of securities for Clients are made in accordance with the investment objectives, strategies and policies of each Client.

In seeking to achieve best execution, Dragoneer considers the full range and quality of services a broker may provide, including (among other things), best total trade price, trading volume, liquidity, the number of securities involved, the size of transaction, the potential for information leakage, the likely market impact due to the transaction in the market, and costs (including but not limited to commissions, fees and transaction taxes, such as stamp duties). As a result, Dragoneer may cause a Client to pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction if it determines that the commission paid was reasonable in relation to the value of the services provided by the broker.

Dragoneer may generate "soft dollars" with regard to trades made on behalf of the Funds. "Soft dollars" refers to Dragoneer's receipt of research or other products or services other than execution from brokers. Research products may include, among other things, permitted computer databases and quotation software, in each case, to access research or that provide research directly, other software, databases and certain other technical and telecommunication services utilized in the investment management process. Research services (which may be in written or oral form or electronic) may include, among other things, research concerning market, economic and financial data, statistical information, data on pricing and availability of securities, financial publications (to the extent appropriate), electronic market quotations and news, performance measurement and pricing services, permitted risk management analysis and performance studies, analyses concerning specific securities, companies or sectors, and market, economic and financial studies and forecasts.

Dragoneer will only use the soft dollar benefits generated by the Funds' commissions to benefit the Funds. When Dragoneer uses the Funds' brokerage commissions (or markups or markdowns) to obtain research or other products or services, Dragoneer may receive a benefit because that it does not have to produce or pay for the research, products or services. As a result,

Dragoneer may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its Funds' interest in receiving the most favorable execution.

Dragoneer has an approval process for the addition of any new soft dollar service. Information relating to the soft dollar service will be reviewed and approved by the CCO. The CCO will review the soft dollar budget on a regular basis.

Although Dragoneer is permitted to obtain soft dollar benefits, as described herein, it has not as of yet made any soft dollar eligible trades.

Because Dragoneer's Clients often seek to buy and sell the same investments, Dragoneer may aggregate purchases and sales of investments. Dragoneer will generally seek to aggregate purchases and sales when Dragoneer believes that aggregation will be beneficial to its clients, including when it will result in the execution of transactions in a more timely and efficient manner, such as a reduction in overall execution costs and impact on the market price of the underlying securities. However, Dragoneer believes such activity will be infrequent.

Dragoneer does not consider, in selecting or recommending broker-dealers, any client referrals it may receive from a broker-dealer or third party. Dragoneer does not recommend, request or require that a Client direct the execution of transactions through a specified broker-dealer, nor does it have any arrangement in which it directs transactions for any Client to a specific broker-dealer based on any other consideration than best execution and the Client's overall best interests.

### **Item 13. Review of Accounts**

Dragoneer's portfolio managers monitor and review the Funds and Managed Accounts on an ongoing basis for overall adherence to the Fund's or Managed Account's investment objective and strategies, as well as any guidelines or restrictions.

Fund investors receive annual audited financial statements and unaudited quarterly account statements directly from the Fund's administrator. Managed Account clients receive account statements directly from their chosen custodian on the frequency agreed with that custodian. Dragoneer may supplement these statements with reports, letters or other communications.

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

Dragoneer does not receive an economic benefit from any person who is not a Client for providing investment advice or other advisory services and does not expect to compensate any person for client referrals.

### **Item 15. Custody**

Dragoneer is deemed to have custody of the assets of the Dragoneer Funds. To comply with the requirements of the Advisers Act, each Dragoneer Fund is audited each year by an



independent public account and these audited financial statements are provided to Fund investors within 120 days of fiscal year end.

Dragoneer generally does not have custody over the assets of the Managed Account Clients.

#### **Item 16. Investment Discretion**

Dragoneer will generally have discretionary authority over the investment activities of the Funds and Managed Accounts. For the Funds, this discretionary authority is generally granted to Dragoneer pursuant to the organizational documents of each Fund and/or pursuant to Dragoneer's investment management agreement with such Fund. For the Managed Accounts, this discretionary authority and any limitations thereon are set forth in the applicable investment management agreement. However, Dragoneer does not have signing authority on behalf of its Managed Accounts. In all cases, Dragoneer is obligated to exercise its investment discretion in a manner consistent with the stated investment objectives, policies, guidelines, and restrictions/limitations for a particular Client account.

#### **Item 17. Voting Client Securities**

Dragoneer has the authority to vote all proxies on behalf of the Funds, and may be delegated the authority to vote proxies held in a Managed Account as the proxies are received by Dragoneer from the Managed Account Clients. Dragoneer has adopted a policy governing the voting of proxies that is designed to ensure that Dragoneer votes Fund securities in what it believes are the best interest of its Funds. This means generally that Dragoneer will vote a Fund's proxies in an effort to promote the long-term economic value of the underlying securities. Each proxy proposal will be considered on its own merits, and Dragoneer will make an independent determination whether to support or oppose management's position. If there is any actual or apparent conflict of interest between the interests of Dragoneer and its Clients, Dragoneer will endeavor to resolve such conflict in a manner that is consistent with the best interest of the Clients.

If a Managed Account Client has not delegated the power to vote proxies to Dragoneer, that Managed Account Client may direct Dragoneer to vote in a particular manner at any time upon written notice to Dragoneer. In those circumstances, Dragoneer will comply with the Managed Account Client's specific directions to vote proxies, whether or not such directions specify voting proxies in a manner that is different from these policies and procedures. In instances where Dragoneer does not have authority to vote Managed Account Client proxies, it is the responsibility of the Managed Account Client to instruct the relevant custodian bank or banks or prime broker to mail proxy material directly to such Managed Account Client.

Clients may obtain a copy of these proxy voting policies, and obtain information about how Dragoneer has voted its Clients' proxies, or discuss any particular solicitation by calling 415-539-3085.

#### **Item 18. Financial Information**

Dragoneer does not require or solicit prepayment of any advisory fees more than six months in advance. As a result, Dragoneer is not required to provide a balance sheet for its most recent fiscal year. Dragoneer is unaware of any financial condition that is reasonably likely to impair its ability to meet its commitments to its Clients. Dragoneer has not been the subject of a bankruptcy petition during the past 10 years.