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## **Digital Bridge Advisors, LLC**

750 Park of Commerce Drive, Suite 200

Boca Raton, Florida 33487

561.544.7448

[www.digitalbridgellc.com](http://www.digitalbridgellc.com)

**This Brochure provides information about the qualifications and business practices of Digital Bridge Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 561.544.7448. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

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

**March 5, 2018**

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## **ITEM 2 – MATERIAL CHANGES**

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Digital Bridge Advisors, LLC has filed this Brochure in conjunction with its initial application to register with the SEC as an investment adviser. Accordingly, there are no changes to report under this Item 2. In the future, this Item will identify and discuss the material changes since the last annual update.

### **ITEM 3 – TABLE OF CONTENTS**

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<b>ITEM 2 – MATERIAL CHANGES .....</b>	<b>2</b>
<b>ITEM 3 – TABLE OF CONTENTS.....</b>	<b>3</b>
<b>ITEM 4 – ADVISORY BUSINESS .....</b>	<b>4</b>
<b>ITEM 5 – FEES AND COMPENSATION .....</b>	<b>5</b>
<b>ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>	<b>5</b>
<b>ITEM 7 – TYPES OF CLIENTS .....</b>	<b>6</b>
<b>ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....</b>	<b>6</b>
<b>ITEM 9 – DISCIPLINARY INFORMATION.....</b>	<b>13</b>
<b>ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....</b>	<b>13</b>
<b>ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....</b>	<b>15</b>
<b>ITEM 12 – BROKERAGE PRACTICES.....</b>	<b>16</b>
<b>ITEM 13 – REVIEW OF INVESTMENTS.....</b>	<b>17</b>
<b>ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION .....</b>	<b>17</b>
<b>ITEM 15 – CUSTODY .....</b>	<b>18</b>
<b>ITEM 16 – INVESTMENT DISCRETION.....</b>	<b>18</b>
<b>ITEM 17 – VOTING CLIENT SECURITIES .....</b>	<b>18</b>
<b>ITEM 18 – FINANCIAL INFORMATION .....</b>	<b>18</b>

## **ITEM 4 – ADVISORY BUSINESS**

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### **Digital Bridge’s Advisory Business**

Digital Bridge Advisors, LLC (“Digital Bridge Advisors”) is a Delaware limited liability company formed on September 15, 2017. Digital Bridge Advisors is a wholly owned subsidiary of Digital Bridge Holdings, LLC (“Digital Bridge Holdings”) (together with Digital Bridge Advisors and other subsidiaries of Digital Bridge Holdings, “Digital Bridge”), which is principally owned by Marc C. Ganzi and Ben Jenkins.

Digital Bridge also is a member of Digital Colony Management, LLC (“Digital Colony Management”), a Delaware limited liability company and investment adviser registered with the SEC that serves as investment adviser to Digital Colony Partners, LP, a private investment fund (the “Digital Colony Fund”). The investment committee of Digital Colony GP, LLC, which is the general partner of the Digital Colony Fund, and the investment team of Digital Colony Management include officers, directors and employees of Digital Bridge.

### **Types of Advisory Services Offered**

Digital Bridge facilitates investment in, and is itself an investor in and an operator of, companies focusing on mobile and internet infrastructure, including data centers, macro cell towers, fiber networks and small cell networks (collectively, “Digital Infrastructure”). Digital Bridge facilitates investments into portfolio companies (each a “Portfolio Company” and collectively the, “Portfolio Companies”) on behalf of itself and, in certain cases, one or more co-investors. In certain instances, Digital Bridge will either (i) sponsor special purpose vehicles (“SPVs”) to enable such co-investments by institutional investors or high-net worth individuals, or (ii) for certain large institutional investors, Digital Bridge will facilitate an investment by such institutional investors directly into the Portfolio Company (each a “Direct Account,” and together the “Direct Accounts”). These SPVs and Direct Accounts are each referred to throughout this brochure as “Clients”. Institutional investors that invest in an underlying portfolio company through an SPV or in a Direct Account each remain responsible for conducting their own due diligence on a particular portfolio company and for determining whether to make an investment. Digital Bridge also actively participates in the management of each Portfolio Company and shares control and governance with its Clients.

The Digital Colony Fund’s investment objective is to generate attractive risk-adjusted returns primarily through privately negotiated equity or other investments in any assets or businesses related to the Digital Infrastructure sector on a global basis. The Digital Colony Fund may also invest directly or indirectly in debt or preferred equity instruments secured by assets or businesses related to Digital Infrastructure.

Digital Bridge does not participate, sponsor or act as a portfolio manager for any wrap fee programs.

### **Regulatory Assets Under Management**

As of February 15, 2018, Digital Bridge had regulatory assets under management of approximately \$3,758,900,000 of which approximately \$445,200,000 was managed on a discretionary basis and approximately \$3,313,700,000 was managed on a non-discretionary basis.

## **ITEM 5 – FEES AND COMPENSATION**

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Each Client generally pays an asset-based fee based on the amount of their committed capital, as provided in each SPV's or Portfolio Company's operating agreement or as otherwise proscribed in Digital Bridge's agreement with the Client, as applicable. The fees or compensation structure may vary depending on the particular circumstances and agreements between Digital Bridge and the Client.

In addition, Digital Bridge has entered into business services agreements where Digital Bridge provides Portfolio Companies with certain operational or administrative support services in exchange for a flat monthly or annual fee. In certain cases, Digital Bridge also licenses software to Portfolio Companies for a flat monthly or annual fee.

Certain employees of Digital Bridge also serve as employees or independent contractors of Portfolio Companies in exchange for additional compensation, which may include equity interest in the applicable Portfolio Company. See Item 10 below for additional information concerning these relationships and the conflicts of interest created by these relationships.

Digital Bridge's fees are negotiable. The relevant agreements with each Client set forth any fees and expenses that Digital Bridge is entitled to receive in exchange for its services, and the timing in which such fees or expenses are payable. Digital Bridge typically charges its management fees annually, in advance, and invoices each investor or Client when its fees are due. In addition, Digital Bridge is entitled to receive a profits interest, if any, from its membership interest in Digital Colony GP, LLC, the general partner of the Digital Colony Fund. Certain employees of Digital Bridge will also participate in the profits interest of the Digital Colony Fund.

Neither Digital Bridge nor its Supervised Persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of investment funds.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Digital Bridge and its employees are entitled to receive performance-based fees under certain circumstances in connection with its management services rendered to the SPVs and Direct Accounts. Specifically, officers, directors and employees of Digital Bridge on occasion receive through their interest in certain affiliated aggregator vehicles a performance fee, referred to as "carried interest", on total profits after investors receive a return of their capital plus, in certain instances, a stated compounded preferred return. In addition, Digital Colony GP, LLC, the general partner of the Digital Colony Fund, which Digital Bridge is a member, is entitled to receive a carried interest on total fund profits after investors receive a return of their capital plus a stated compounded preferred return as more fully described in the Digital Colony Private Placement Memorandum ("PPM").

The management of clients that pay asset-based fees along-side clients that pay performance based-fees creates potential incentive for Digital Bridge to favor those clients paying performance-based fees. Specifically, the existence of indirect performance-based compensation that Digital Bridge is entitled to through its interest in Digital Colony GP, LLC may create an incentive to favor the Digital Colony

Fund. Digital Bridge and its Supervised Persons seek to treat all Clients in a fair and equitable manner, and has adopted policies and procedures governing the allocation of investment opportunities and use of performance-based fees. With respect to the Digital Colony Fund, Digital Colony Management has established a variety of policies and other controls regarding, among other things, the allocation of investment opportunities, including those seeking to manage the conflicts of interest identified above. Please refer to the Digital Colony Form ADV, Part 2A for additional information on how Digital Colony addresses conflicts of interest associated with the receipt of performance-based compensation.

## **ITEM 7 – TYPES OF CLIENTS**

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Digital Bridge provides active management services to SPVs and Direct Accounts, and certain of its employees and officers provide services to Digital Colony GP, LLC and Digital Colony Management in connection with the management of the Digital Colony Fund. As described in Item 4 above, Digital Bridge typically identifies Portfolio Companies that it believes meet certain investment criteria and locates an institutional investor, high-net worth individual or group of both such prospective investors that may be interested in making an investment in a prospective Portfolio Company alongside Digital Bridge. In certain instances, Digital Bridge will then form an SPV or take on such investors as a Direct Account in order to enable such co-investment. As a general matter, Digital Bridge will only accept as investors in an SPV or Direct Account that satisfy applicable eligibility and suitability requirements for private transactions pursuant to available exemptions under applicable securities laws, including Sections 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940 (as applicable) and Regulation D under the Securities Act of 1933 for the SPVs.

Interests in the Digital Colony Fund are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements in private transactions pursuant to available exemptions under applicable securities laws. The Digital Colony Fund is subject to a minimum investment requirement as set forth in its PPM. All information provided in this brochure regarding the Digital Colony Fund is qualified in its entirety by reference to its PPM.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

Digital Bridge's investment process has five key aspects—Deal Sourcing, Disciplined Due Diligence, Flexible Transaction Structuring, Active Management of Portfolio Companies, and the Involvement of Senior Advisers and Operating Partners. Each one of these aspects of Digital Bridge's investment process is described in greater detail below.

1. **Deal Sourcing.** Digital Bridge's principals maintain relationships with wireless carriers, cloud and enterprise companies, infrastructure developers and suppliers, investors and service providers such as industry consultants, bankers and financiers. Principals at Digital Bridge are actively involved in various industry and regulatory organizations in the Digital Infrastructure sector. Digital Bridge leverages these relationships to source proprietary deals.
2. **Disciplined Due Diligence.** Digital Bridge has strict due diligence criteria for evaluating investment opportunities, which it calls the "four corners of underwriting" an investment. Digital

Bridge believes that it is extremely important to conduct due diligence on these four areas to the extent applicable for an investment to be successful over the long-term in the Digital Infrastructure sector. Digital Bridge's "four corners of underwriting" are as follows:

- a. **Market Dynamics.** Digital Bridge is focused on stable markets with catalysts for near-term Digital Infrastructure investment and downside protection for asset owners.
  - b. **Platform Potential/Management Team.** Digital Bridge emphasizes buy and build strategies with initial investments used as a platform to drive growth both organically and through acquisitions.
  - c. **Asset Quality.** Digital Bridge analyzes the uniqueness of the asset and prefers to focus on hard-to-replicate assets.
  - d. **Contract Quality.** Digital Bridge focuses on the duration and structure of customer agreements and the credit quality of customers.
3. **Flexible Transaction Structuring.** Digital Bridge has employed a variety of investment formats and structures to seek to achieve attractive risk-adjusted returns.
  4. **Active Management of Portfolio Companies.** Digital Bridge actively manages Portfolio Companies, as its principals are operationally focused and have extensive experience having founded, operated and successfully exited from multiple businesses in the Digital Infrastructure space.
  5. **Value-Added Involvement of Senior Advisers and Operating Partners.** Digital Bridge's principals have relationships with a group of Digital Infrastructure executives who serve as senior advisers or operating partners to Digital Bridge. With extensive industry knowledge and leadership experience, these advisors share subject matter expertise, evaluate market trends, and help identify strategic opportunities for Digital Bridge.

**Investing in Portfolio Companies, Digital Infrastructure, securities and other investment products involves risk of loss that existing and prospective investors and clients should be prepared to bear.**

### **Material Risks for Significant Investment Strategies**

The following is a discussion of certain material risks for Digital Bridge's investment strategies in Digital Infrastructure, but it does not purport to be a complete explanation of all the risks involved in its investment strategies.

**Nature of Investments Generally.** Investment in infrastructure assets involves many relatively unique and acute risks. Project revenues can be affected by a number of factors including economic and market conditions, political events, competition, regulation, and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets may adversely affect the overall profitability of an investment or related project. Events such as political action, governmental regulation, demographic changes, economic growth, government macroeconomic policies, political events, social stability, natural disasters, changes in

demand for products or services, bankruptcy, or financial difficulty of a major customer and acts of war or terrorism, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring Digital Infrastructure. In turn, this may impair an investment's ability to repay debt or make distributions to its investors. As a general matter, the operation and maintenance of infrastructure assets or businesses involve various risks and are subject to substantial regulation (as described herein), many of which may not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities.

**Leverage.** Use of borrowed funds to leverage acquisitions involves a high degree of financial risk and can exaggerate the effect of any increase or decrease in value of an investment and will increase the exposure of the investments to adverse economic factors, such as fluctuations in interest rates, downturns in the local economies in which the investments are located or deterioration in the condition of the investments. Accordingly, the use of leverage may cause a Digital Bridge client's value to be more volatile than it would be in the absence of such leverage. In addition, to the extent a strategy employed on behalf of a Digital Bridge Client is dependent on leverage, the availability (or lack thereof) and cost of financing may significantly affect the ability of a client to execute its investment strategy.

**Litigation.** In the ordinary course of business, Digital Bridge and its Portfolio Companies may be subject to litigation from time to time. The outcome of such proceedings may adversely affect the value of an investment and may continue without resolution for long periods of time.

In connection with such actions, the applicable Digital Bridge client may be obligated to bear defense, settlement, and other costs (which may be in excess of insurance coverage therefor provided), and Digital Bridge may be entitled to indemnification under, and subject to the terms of, such client's investment agreement and/or other agreements entered into by such client.

**Risky and Illiquid Investments.** Digital Infrastructure investments are generally risky and illiquid and there can be no assurance that Digital Bridge or any client will be able to realize on any such investment in a timely manner. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on the investment's resale by the applicable Digital Bridge client. Additionally, investments may be particularly illiquid due to "lock-up periods" during which an investor may not sell its interests.

**Operational Risks.** Many investments are subject to operational risks – risks that the internal processes and systems designed to operate a business, property or other entity safely and efficiently are in some fashion inadequate or that the individuals tasked with managing such processes and systems fail to properly carry out their functions.

**Foreign Investments.** Digital Bridge and its clients may invest in digital infrastructure assets located in foreign countries. Accordingly, the business and financial results of the investors and clients could be adversely affected due to currency fluctuations, social or judicial instability, acts or threats of terrorism, changes in governmental policies or policies of central banks, expropriation, nationalization and/or confiscation of assets, price controls, fund transfer restrictions, capital controls, exchange rate controls, taxes, inadequate intellectual property protection, unfavorable political and diplomatic developments, changes in legislation or regulations and other additional international developments or restrictive



actions. These risks are especially acute in emerging markets. As in the United States, many non-U.S. jurisdictions in which Digital Bridge Portfolio Companies may do business have been negatively impacted by recessionary conditions. Non-U.S. investments may also be subject to extensive regulation by various non-U.S. regulators, including governments, central banks and other regulatory bodies, in the jurisdictions in which those businesses operate.

**Undeveloped Infrastructure.** In certain countries where Digital Bridge and its clients may invest, capital and advanced technology are significantly limited. Delays in local postal, transport, banking or communications systems could cause investors to lose rights, opportunities, entitlements or funds and expose such investors to currency fluctuations.

**Third Party and Co-Investment Risk.** Digital Bridge or its Clients may co-invest with third parties. These transactions potentially raise conflicts of interest. For example, a Client may co-invest with other market participants with which Digital Bridge, or an affiliate, has important business relationships, and such relationships could influence the decisions made by Digital Bridge with respect to the purchase or sale of an investment. Further, such third parties could have interests that may be contrary to such Clients' investment objectives or which may conflict with a Clients' interest. There can be no assurance that the foregoing will not have an adverse impact on any Client's ability to find, consummate and/or exit investments.

**Currency Rates.** Fluctuations in currency rates may adversely affect the ability of Digital Bridge and its clients to successfully acquire non-U.S. assets and may also adversely affect the performance of investments in such assets. Because non-U.S. securities or other non-U.S. assets may be purchased with and payable in currencies of countries other than the U.S., the value of these assets measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. In addition to currency and exchange risks, these investments may be subject to additional risks relating to foreign political and regulatory risks, which may affect the liquidity of such investments. Additional risks include possibilities of instability of the local country's political and economic structures and less predictable means of dispute resolution and enforcement of local rights regarding investments.

Some countries in which Digital Bridge and its client invest may employ managed exchange rate regimes which, in addition to other policies, may distort the results of, and returns on, the investments in such countries. Several countries, however, have been unable to sustain their exchange rates and have devalued their currency or shifted to floating exchange rate regimes. It is not possible to assess the degree to which individual currencies will be permanently affected, but significant depreciation of any particular currency may adversely impact the investments in the applicable country and/or returns from such investments.

**Lack of Sector Diversity.** Digital Bridge and/or its clients invest in, and Digital Bridge manages investments predominantly in the Digital Infrastructure sector. This lack of diversification could result in greater losses than otherwise might be anticipated, as an investor be more susceptible to any single economic, political or regulatory occurrence and more volatile than a more diversified investment or investment strategy.

**Demand for Digital Infrastructure.** Digital Bridge and/or its clients invest in, and Digital Bridge manages investments in businesses that are dependent on the demand for Digital Infrastructure and may be adversely affected by slowdown in such demand. For Digital Infrastructure, demand may be impacted by various factors that are primarily outside the control of Digital Bridge. Additionally, new technologies, including improvements in the efficiency, architecture, and design of wireless or cloud networks may also reduce current and/or anticipated demand for Digital Infrastructure.

**Demand for Wireless Infrastructure.** Digital Bridge and/or its clients invest in, and Digital Bridge manages tower infrastructure companies, whose revenue is typically supported by rapidly increasing consumer consumption of mobile data and the subsequent requirements of mobile carriers for improved wireless coverage and capacity. These businesses may be adversely affected by any slowdown in such demand growth. Additionally, a reduction in carrier network investment may materially and adversely affect these businesses (including reducing demand for tenant additions, amendments to existing customer leases or network services). Demand for a tower's wireless infrastructure materially depends on the demand for antenna space from tower customers, which, in turn, depends on the demand for wireless coverage and capacity by their underlying customers. The willingness of tower customers to utilize wireless tower infrastructure, or renew or extend existing leases on the wireless tower infrastructure, is affected by numerous factors, including:

- Current and/or anticipated consumer demand for wireless coverage and capacity;
- Availability and/or capacity of the tower company's wireless infrastructure and/or associated land interests;
- Location of the tower company's wireless infrastructure;
- Financial condition of the tower company's customers, including their profitability and availability or cost of capital, their failure to perform on their obligations, their lack of liquidity, or their entry into bankruptcy proceedings;
- Willingness of tower company customers to maintain and/or increase network investment or to make changes in their capital allocation strategy;
- Availability and cost of FCC licensed spectrum for commercial use;
- Use of active or passive network sharing, roaming, joint development, and/or resale agreements by tower company customers;
- Mergers or consolidations between tower company customers that may lead to higher churn or lower leasing opportunities in the future;
- Availability and cost of power;
- Changes in, or the success of, the business models of customers;
- Government regulations, including local and/or state restrictions on the proliferation of wireless infrastructure;
- Cost of constructing wireless infrastructure;
- Technological changes, including those (i) affecting the number or type of wireless infrastructure needed to provide wireless connectivity to a given geographic area or that may otherwise serve as substitute and/or alternative to wireless tower infrastructure or (ii) that result in the obsolescence or decommission of certain existing wireless networks; and/or
- The tower company's ability to efficiently satisfy the customers' service requirements.

A slowdown in demand for wireless coverage and capacity and/or wireless tower infrastructure may negatively impact the growth of companies in which Digital Bridge invests or facilitates investments or

otherwise have a material adverse effect on the returns thereto. If customers or potential customers of an applicable Digital Bridge Portfolio Company are unable to raise adequate capital to fund their business plans as a result of disruptions in the financial and credit markets or otherwise, they may reduce spending, which could adversely affect such investment's anticipated growth or the demand for such investment's wireless infrastructure or network services.

The amount, timing, and mix of an investment's customers' network investment is variable and can be significantly impacted by the matters described in these risk factors. Changes in carrier network investment is expected to affect the demand for an investment's wireless infrastructure. As a result, changes in carrier plans such as delays in the implementation of new systems, new technologies (including small cells), or plans to expand coverage or capacity may reduce demand for an investment's wireless infrastructure. Furthermore, the wireless industry could experience a slowdown or slowing growth rates as a result of numerous factors, including a reduction in consumer demand for wireless coverage or capacity or general economic conditions. There can be no assurance that weakness or uncertainty in the economic environment will not adversely affect the wireless industry, which may materially and adversely affect an investment's business, including by reducing demand for an investment's wireless infrastructure or network services. In addition, a slowdown may increase competition for site rental customers or network services. A wireless industry slowdown or a reduction in carrier network investment may materially and adversely affect a Digital Bridge investment.

**Failure to Retain Property Rights.** Digital Bridge and/or its clients invest in mobile and internet infrastructure companies that hold certain rights to the land interests under towers and certain data center facilities. If Digital Bridge or a client fails to retain rights to this mobile and internet infrastructure, including the land interests under towers or certain data center facilities, the investments may be adversely affected. The property interests on which some of the mobile and internet infrastructure will reside, including the land interests under towers and certain data center facilities, is expected to consist of leasehold and sub-leasehold interests, fee interests, easements, licenses, and rights-of-way. A loss of these interests may make it impossible to conduct business or generate revenue. For various reasons, Digital Bridge or a client may not always have the ability to access, analyze, or verify all information regarding titles or other issues prior to purchasing mobile and internet infrastructure. Further, Digital Bridge may not be able to renew ground or facility leases on commercially viable terms. Digital Bridge's or a client's ability to retain rights to the land interests on which its investment's towers reside, depends on Digital Bridge's or its client's ability to purchase such land, including fee interests and perpetual easements, or renegotiate or extend the terms of the leases relating to such land. If Digital Bridge is unable to retain rights to the property interests on which a client or investor's mobile and internet infrastructure resides, an investor may be adversely affected.

**Potential Liability from Radio Frequency Emissions.** If radio frequency emissions from wireless handsets or equipment on wireless infrastructure are demonstrated to cause negative health effects, potential future claims could adversely affect Digital Bridge's and a client's investments. The potential connection between radio frequency emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years. In certain markets that Digital Bridge invests and facilitates investment, there have been specific emission limitations placed on individual tower sites. Digital Bridge cannot guarantee that claims relating to radio frequency emissions will not arise in the future or that the results of such studies will not be adverse to it. Public perception of possible health risks associated with cellular or other wireless connectivity

services may slow or diminish the growth of wireless companies, including a Digital Bridge investment. In particular, negative public perception of, and regulations regarding, these perceived health risks may slow or diminish the market acceptance of wireless services. If a connection between radio frequency emissions and possible negative health effects were established, operations, costs, or revenues of investments Digital Bridge or a client may be materially and adversely affected. Additionally, the returns from investments may be adversely impacted if tower emission regulations are established or tightened in other markets. Digital Bridge does not currently maintain any insurance with respect to these matters.

**Technology Risk.** The infrastructure of data center businesses in which Digital Bridge and/or its clients invest may become obsolete, and such investments may not be able to upgrade power and cooling systems cost effectively or at all. Data center infrastructure may become obsolete due to the development of new systems to deliver power to or eliminate heat in data center facilities. Additionally, data center infrastructure could become obsolete as a result of the development of new server technology that does not require the levels of critical load and heat removal that such facilities are designed to provide and could be run less expensively on a different platform. In addition, data center power and cooling systems are difficult and expensive to upgrade. Accordingly, data center companies may not be able to efficiently upgrade or change these systems to meet new demands without incurring significant costs, which could adversely impact business, financial condition and results of operations.

**Failure of Physical Infrastructure.** Digital Bridge and/or its clients invest in, and Digital Bridge manages investments in businesses that depend on providing customers with highly reliable services. Any failure of the physical infrastructure or offerings of such investments may lead to significant costs and disruptions that could reduce the revenue of customers for such investments and harm the business reputation and financial results of these customers, which may impact the returns on such investments. The investment's assets are expected to be subject to failure from numerous factors including:

- Human error;
- Equipment failure;
- Physical, electronic and cyber security breaches;
- Fire, earthquake, hurricane, flood, tornado and other natural disasters;
- Extreme temperatures;
- Water damage;
- Fiber cuts;
- Power loss;
- Terrorist acts;
- Sabotage and vandalism; and
- Failure of business partners who provide network connectivity.

Problems at infrastructure assets, whether or not within Digital Bridge's control, could result in service interruptions or significant equipment damage. Furthermore, investments are likely to be dependent upon internet service providers, telecommunications carriers and other website operators in the Americas and elsewhere, some of which have experienced significant system failures and electrical outages in the past. If, for any reason, these providers fail to provide the required services, an investment's business, financial condition and results of operations could be materially and adversely impacted.

**Valuation Matters.** The fair value of all investments will be determined according to the governing documents of each Portfolio Company and with each Client. In most cases, there is no requirement to for Digital Bridge to deliver a fair market valuation. Accordingly, the carrying value of an investment may not reflect the price at which the investment can be sold in the market, and the difference between carrying value and the ultimate sales price can be material.

**Security Breaches.** Digital Bridge and/or its clients invest in, and Digital Bridge manages investments in companies that may be vulnerable to security breaches that could adversely affect the operations, business, and reputation of such investments. Certain wireless infrastructure investments may be vulnerable to damage, disruptions, or shutdowns due to unauthorized access, computer viruses, cyber-attacks, and other security breaches. An attack attempt or security breach could potentially result in (i) interruption or cessation of certain services to customers, (ii) inability to meet expected levels of service, or (iii) data transmitted over customers' networks being compromised. Digital Bridge cannot guarantee that the security measures of its Portfolio Companies will not be circumvented, resulting in customer network failures or interruptions that could impact their respective customers' network availability and have a material adverse effect on business, financial condition, or operational results. Portfolio Companies may be required to expend significant resources to protect against or recover from such threats. If an actual or perceived breach of security occurs, the market perception of the effectiveness of that company's security measures could be harmed, which could result in lost customers.

## **ITEM 9 – DISCIPLINARY INFORMATION**

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There are no applicable legal or disciplinary events relating to Digital Bridge or our management persons.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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### **Other Registrations**

Digital Bridge and its management persons are not registered, or have an application pending to register, with the Securities and Exchange Commission ("SEC") as a broker-dealer or registered representatives, respectively. Digital Bridge is further not registered, and does not have an application pending to register, with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA").

### **Other Material Relationships**

Digital Bridge has entered into a joint venture with Colony NorthStar Inc. ("CLNS") for joint ownership and control of Digital Colony GP, LLC and Digital Colony Management. Digital Colony GP, LLC serves as the general partner of the Digital Colony Fund and DCP Fund I Adviser, a subsidiary of Digital Colony Management, serves as investment adviser to the Digital Colony Fund. CLNS is a global real estate and investment management firm. CLNS resulted from the January 2017 tri-party merger between Colony Capital, Inc., NorthStar Asset Management Group Inc. and NorthStar Realty Finance Corp. CLNS has significant property holdings in the healthcare, industrial and hospitality sectors, opportunistic equity and debt investments and an embedded institutional and retail investment

management business. CLNS manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, non-traded and traded real estate investment trusts and registered investment companies. In addition, CLNS owns NorthStar Securities, LLC, a captive broker-dealer platform that raises capital in the retail market.

Digital Bridge's ownership and control of Digital Colony GP, LLC and Digital Colony Management creates situations where the interests of Digital Bridge, Digital Colony GP, LLC, Digital Colony Management, the Digital Colony Fund and its investments may conflict with the interests of the Portfolio Companies, Digital Bridge, its Clients, and the interests of Digital Bridge employees relating to potential equity incentives offered by Portfolio Companies. These conflicts are discussed in greater detail below.

**Allocation of Investment Opportunities.** Digital Bridge manages the Portfolio Companies and facilitates investment into Portfolio Companies by investors through both SPVs and Direct Accounts. In addition, the Investment Committee of Digital Colony GP, LLC, which is the general partner of the Digital Colony Fund is responsible for making all investment decisions on behalf of the Digital Colony Fund. The investment committee of Digital Colony GP, LLC, and the investment team of Digital Colony Management includes officers, directors and employees of Digital Bridge.

Digital Bridge may be presented with investment opportunities that fall within the investment objective of one or more Clients, and in such circumstances, Digital Bridge will determine the allocation of such opportunities in good faith, taking into account relevant facts and circumstances without deliberately and inappropriately favoring any one client or investor or prospective investor. Digital Bridge does not have discretion to make investments on behalf of its Direct Account Clients or the majority of the SPVs. Further, Supervised Persons of Digital Bridge can only make investment decisions for the Digital Colony Fund as members of the investment committee of Digital Colony GP, LLC and in their capacity as members of the investment team of Digital Colony Management. In addition, Digital Bridge maintains contractual obligations with certain Portfolio Companies, Clients and their respective investors regarding the allocation of investment opportunities.

Subject to the partnership agreement of the Digital Colony Fund, and any of Digital Bridge's existing contractual obligations, until the expiration or termination of the commitment period for the Digital Colony Fund, Digital Bridge is generally prohibited from making privately negotiated investments of a type that would be suitable for the Digital Colony Fund without the consent of Digital Colony Fund's unaffiliated investment advisory committee, which is comprised of limited partners of the Digital Colony Fund.

**Allocation of Time and Payments from Portfolio Companies.** Certain employees of Digital Bridge are required by contract to devote a substantial majority of their business time to matters relating to the business and affairs of the Digital Colony Fund. Certain officers, directors and employees of Digital Bridge also provide services to Portfolio Companies in exchange for cash and/or equity compensation. In addition, as described above Digital Bridge and certain of its employees and officers provide services to Digital Colony GP, LLC and Digital Colony Management. The provision of such services by employees and officers of Digital Bridge creates a conflict of interest because they may detract from the business and affairs of clients and/or Portfolio Companies of Digital Bridge. Digital Bridge mitigates

this conflict of interest by disclosing it to Clients and investors and always seeking to act in a fair and equitable manner.

### **Other Financial Industry Activities or Affiliations**

Digital Bridge generally does not recommend or select other investment advisers for its clients. Digital Bridge receives indirect compensation through its ownership of Digital Colony GP, LLC and Digital Colony Management. However, aside from these relationships, Digital Bridge does not receive compensation directly or indirectly from other investment advisers and does not have other business relationships with other investments advisers.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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### **Code of Ethics and Personal Trading Policies**

Digital Bridge has adopted a Code of Ethics (the “Code”) that is designed to reinforce its commitment to ethical behavior. The Code applies to all of Digital Bridge’s Supervised Persons, as defined in the Firm’s Legal Compliance Manual (the “Compliance Manual”) and sets forth standards for business conduct and addresses Digital Bridge’s policies and procedures on topics including:

- Conflicts of interest
- Confidentiality
- Insider trading
- Personal trading
- Outside business activities
- Gifts and entertainment
- Pay to play / political contributions
- Whistleblowing
- Books and records (recordkeeping)

Among other things, the Code limits and monitors the personal trading activity of Digital Bridge’s Supervised Persons. These limitations seek to further Digital Bridge’s efforts to prevent Supervised Persons from personally benefiting from Digital Bridge’s investment decisions for its clients. Specifically, the Code requires Supervised Persons and certain members of their households to “pre-clear” their personal securities transactions with Digital Bridge’s Compliance Department prior to execution, with some limited exceptions. Digital Bridge generally limits its Supervised Persons’ participation in initial public offerings and requires consent from the Chief Compliance Officer in order to permit private placement investments. Additionally, Digital Bridge limits its Supervised Persons’ ability to trade in the same securities at the same time that our Clients are trading in those securities. All Supervised Persons must provide Digital Bridge with a listing of their securities holdings, as well as transaction information for certain types of securities. These restrictions and requirements of the Code apply to all accounts over which a Supervised Persons has investment discretion, or in which they have a direct or indirect beneficial ownership interest, unless exempted. In addition, all Supervised Persons must complete certifications to confirm their holdings and to certify they have complied with the personal trading policy.

A copy of Digital Bridge’s Code is available to Clients, prospective clients and investors upon request.

## **Participation or Interest in Client Transactions and Associated Conflicts of Interest**

As discussed in “Item 4- Types of Advisory Services Offered”, Digital Bridge facilitates and manages investments in Digital Infrastructure Portfolio Companies. In addition, the officers, directors and employees of Digital Bridge are members of the investment team of Digital Colony Management, which provides investment advice to the Digital Colony Fund. The Digital Colony Fund is structured as a limited partnership where an affiliate of Digital Bridge, Digital Colony GP, LLC, serves as the general partner and has made a capital commitment in the Digital Colony Fund. A portion of Digital Colony GP, LLC’s capital commitment has been made by Digital Bridge and/or certain members, employees, officers and senior advisors of Digital Bridge, which will be drawn down at the same time as the investors’ commitments. Digital Colony GP, LLC’s capital commitment is not subject to management fees and carried interest. Digital Colony GP, LLC is also permitted to form investment vehicles or accounts and offer limited partners of the Digital Colony Fund or third parties the opportunity to co-invest in particular investments of the Digital Colony Fund or any parallel vehicle if it determines that such allocation for co-investment is in the best interest of the Digital Colony Fund.

While Digital Bridge has an indirect financial interest in the Digital Colony Fund through Digital Colony GP, LLC, and Digital Bridge often invests with clients in Portfolio Companies, Digital Bridge believes such interests are aligned with those of the fund’s investors because Digital Bridge commits capital and receives distributions on the same terms as the other investors.

## **Investments in Securities by Digital Bridge and its Personnel**

Digital Bridge and its personnel may invest in the same or similar securities and investments as those recommended to, or entered into on behalf of, Clients and investors. All of Digital Bridge’s personnel are subject to its policies and procedures regarding confidentiality of information and personal trading. Digital Bridge and its personnel generally make investments on the same or similar terms as investments entered into on behalf of Clients and investors; however, Digital Bridge and its personnel’s investments are not subject to management fees, and with respect to investments in the Digital Colony Fund, will not be subject to carried interest payments.

## **Trading Alongside by Adviser and its Personnel**

In certain circumstances, Digital Bridge or its related person will co-invest in an investment or private fund alongside an investor. Co-investments by Digital Bridge or its related persons generally require pre-approval from Digital Bridge’s Chief Compliance Officer.

## **ITEM 12 – BROKERAGE PRACTICES**

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Digital Bridge invests primarily in private companies for itself and on behalf of its clients and therefore does not generally use the service of broker-dealers. It is possible, however, that Digital Bridge, its investors or clients may receive an in-kind distribution of a public security from a Portfolio Company.



Digital Bridge does not consider client referrals from brokers-dealers when selecting or recommending broker-dealers to execute any client transactions, nor does it receive any “soft dollar” benefits. Additionally, Digital Bridge does not have any directed brokerage practices.

## **ITEM 13 – REVIEW OF INVESTMENTS**

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### **Review of Accounts**

Digital Bridge reviews the special purpose vehicles it manages on behalf of investors, as well as each Portfolio Company on a continuous basis. Such reviews are conducted by the investment team. These reviews are designed to monitor and analyze all aspects of the Portfolio Company.

### **Factors Triggering a Review**

Digital Bridge also performs reviews of its Portfolio Companies as appropriate based on, among other things, changes in market conditions or in response to a request by an investor for a meeting or the occurrence of such meeting.

### **Investor Reports**

Digital Bridge prepares unaudited reports on a quarterly basis for Clients and investors, providing summary financial and other information. Digital Bridge has historically not been required to deliver annual audited financial statements for its SPV Clients, but going forward will deliver such audited financial statements for each such Client annually. Digital Bridge may provide certain investors with information on a more frequent and detailed basis if agreed to by Digital Bridge.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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### **Other Compensation**

As discussed above in Item 5, Digital Bridge has entered into business services agreements where Digital Bridge provides Portfolio Companies with certain operational or administrative support services in exchange for a flat monthly fee. The receipt of such compensation creates a conflict of interest in that Digital Bridge has a financial incentive related to the compensation it receives from investments held by its clients. Digital Bridge mitigates this conflict of interest by disclosing such service arrangements to Clients and investors and always seeking to act in the best interest of its clients. Additionally, the provision of such services is designed to contribute to the operation of, and enhance the value of, the particular Portfolio Company.

In addition, certain officers, directors and employees of Digital Bridge, including Marc Ganzi, provide services to Portfolio Companies in exchange for cash and/or equity compensation. The receipt of such compensation creates a conflict of interest in that such Digital Bridge personnel have a financial incentive related to the compensation received from investments held by Digital Bridge’s clients. Digital Bridge mitigates this conflict of interest by disclosing it to clients and investors and seeking to act in the

best interest of its Clients and investors. Additionally, the provision of such services is designed to contribute to the operation of, and enhance the value of, the particular Portfolio Company.

### **Compensation for Client Referrals**

Neither Digital Bridge nor any related person directly or indirectly compensates any person who is not a Supervised Person of Digital Bridge for client referrals.

### **ITEM 15 – CUSTODY**

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Digital Bridge does not have custody of the assets associated with the Direct Accounts. Digital Bridge is deemed to have custody of the SPVs' assets by virtue of its role as member to these investment vehicles. Assets of the SPVs are held in the name of the vehicle and are private, uncertificated securities recorded on the books of the issuer in the name of the SPV. Digital Bridge intends to comply with the Custody Rule with respect to each such SPV Client by obtaining and distributing to respective investors an annual audited financial statement prepared by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

### **ITEM 16 – INVESTMENT DISCRETION**

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Digital Bridge's investment authority is negotiated and agreed upon on a case by case basis with each Client. As a general matter, Digital Bridge does not have discretion with respect to the decision to make an investment on behalf of any of its Direct Accounts. Further, the majority of SPVs either (i) have a board structure that is majority-comprised of outside directors and representatives of the SPV's underlying institutional investors, or (ii) include "negative control" provisions in the governance documents. Consequently, Digital Bridge does not have discretion to independently make an investment on behalf of those SPVs without obtaining the approval of institutional. However, there are certain legacy SPVs without negative control provisions, and where Supervised Persons of Digital Bridge comprise a majority of the directors. Digital Bridge therefore has corporate authority to implement its investment recommendations with respect to those vehicles.

With respect to the Digital Colony Fund, Supervised Persons of Digital Bridge can only make investment decisions as members of the investment committee of Digital Colony GP, LLC and the investment team of Digital Colony Management.

### **ITEM 17 – VOTING CLIENT SECURITIES**

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Digital Bridge does not maintain the authority to vote client securities. Clients will receive their proxies or other solicitations directly from the respective Portfolio Company, to the extent applicable. Clients may contact Digital Bridge with questions about a particular solicitation.

### **ITEM 18 – FINANCIAL INFORMATION**

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Digital Bridge is not aware of any financial condition that impairs its ability to meet our contractual and fiduciary commitments to clients, and Digital Bridge has not been the subject of a bankruptcy proceeding.