

# DUNES POINT CAPITAL

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March 30, 2020

**This brochure provides information about the qualifications and business practices of Dunes Point Capital, L.P. If you have any questions about the contents of this brochure, please contact us at (914) 269-2020. 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 Dunes Point Capital, L.P. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Any reference to Dunes Point Capital, L.P. as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.**

**Item 2: Material Changes**

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The last update for this brochure was filed by Dunes Point Capital, L.P. with the SEC on March 29, 2019. This annual amendment includes updates to disclosures relating to, among other things, risks of investment and potential conflicts of interest. Although Dunes Point Capital, L.P. does not consider these changes to be material, clients are encouraged to review this brochure in its entirety.

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**Item 4: Advisory Business**

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Dunes Point Capital, L.P. (“Dunes Point L.P.,” and together with its affiliated investment advisers (if any) and the General Partners (as defined below), “DPC”) is a Delaware limited partnership based in Rye, New York. Dunes Point L.P. was founded in 2013, and is principally owned and controlled, directly or indirectly, by Timothy White.

Dunes Point L.P. is a registered investment adviser that, together with its affiliates, provides investment management services to investment funds privately offered to qualified investors in the United States and elsewhere. DPC’s clients include the following (each, a “Fund,” and together with any future private funds to which DPC may provide investment advisory services, the “Funds”):

- Dunes Point Capital Investment Partners I-A, LLC (“Fund I-A”);
- Dunes Point Capital Investment Partners I-B, LLC (“Fund I-B”);
- Dunes Point Capital Investment Partners I-C, LLC (“Fund I-C”);
- Dunes Point Capital Investment Partners I-D, LLC (“Fund I-D,” and collectively with Fund I-A, Fund I-B and Fund I-C, the “DPC I Funds”);
- Dunes Point Capital Fund II, L.P. (“Fund II Main”); and
- Dunes Point Capital Fund II-A, L.P. (“Fund II-A,” and together with Fund II Main, “DPC Fund II”).

The following fund general partner and managing member entities are affiliated with Dunes Point L.P.:

- Dunes Point Capital Equity Investments, LLC (“DPCEI”); and
- DPC Fund II GP, L.P. (“DPC II GP,” and together with DPCEI and any future Fund general partner or managing member entities that may be affiliated with DPC, the “General Partners” and each a “General Partner”).

Each General Partner is subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”), pursuant to DPC’s registration in accordance with SEC guidance. This brochure also describes the business practices of the General Partners, which operate as a single advisory business together with Dunes Point L.P.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” The Funds principally make control-oriented, private equity investments in the general industrials sector, and may also purchase debt securities with the aim of taking a control position in the underlying companies. As the investment adviser to the Funds, DPC identifies and evaluates investment opportunities, negotiates the terms of investments, manages and monitors investments and achieves dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. The Funds’ investment guidelines and restrictions are contained in the Funds’ respective operating agreements or other governing documents (referred to herein as each

Fund's "Governing Documents") and/or private placement memoranda or other offering documents (each, a "Memorandum").

DPC does not permit investors in the Funds to impose limitations on the investment activities described in the Governing Documents and/or Memorandum of the applicable Fund. Investors in the Funds participate in the overall investment program for the applicable Fund, but would, in such circumstances, be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Governing Documents. DPC sometimes enters into side letters or other similar agreements ("Side Letters") with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the relevant Governing Documents with respect to such investors.

From time to time and as permitted by the relevant Fund's Governing Documents, DPC expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, DPC's personnel and/or certain other persons associated with DPC. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle are permitted to purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in DPC's sole discretion, DPC is authorized to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchaser price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, certain Funds' Governing Documents and/or Memoranda provide that such Funds will bear such amounts to the extent they are not charged or reimbursed as described in the preceding sentence.

DPC does not participate in wrap fee programs.

As of December 31, 2019, DPC had \$1,105,513,049 of regulatory assets under management, all of which was managed on a discretionary basis. DPC does not manage any assets on a non-discretionary basis.

## **Item 5: Fees and Compensation**

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DPC's fees and compensation are described in each Fund's Governing Documents and/or Memorandum. In addition, further detail on DPC's fees and compensation for the DPC I Funds is contained in management services agreements with the relevant portfolio companies, which have been provided to investors.

### ***Management Fees***

DPC I Funds. DPC generally charges portfolio management fees directly to the portfolio companies owned by the DPC I Funds quarterly in advance. Such portfolio management fees are calculated on a portfolio company-by-portfolio company basis by reference to the earnings of each portfolio company.

DPC Fund II. DPC Fund II pays DPC II GP a management fee quarterly in advance, in an amount set forth in the applicable Governing Documents and/or Memoranda. Such management fee is generally calculated based on the aggregate investor commitments, but after the expiration of DPC Fund II's investment period or upon the occurrence of other events as set forth in the applicable Governing Documents, such management fee will be based on invested capital.

DPC Fund II's management fees will be reduced by an amount equal to 100% of "Portfolio Company Fees" (as defined below) attributable to partners of DPC Fund II not designated as "affiliated partners" (as described below) by DPC II GP. "Portfolio Company Fees" include: (i) directors' fees, financial consulting fees or advisory fees paid to DPC II GP with respect to any DPC Fund II investment, (ii) transaction fees paid to DPC II GP with respect to any DPC Fund II investment, and (iii) break-up fees with respect to DPC Fund II transactions not completed that are paid to DPC II GP, in each case net of certain expenses as set forth in the relevant Governing Documents; but not including, in any event, any amount received by DPC II GP, Dunes Point L.P., SOP Advisors (as defined below) or other persons from a portfolio company (A) as reimbursement for expenses directly related to such portfolio company, (B) as payment for services provided to any portfolio company in the ordinary course of such portfolio company's business, (C) as compensation for services provided by DPC II GP or any other person as an employee of or in a similar capacity for such portfolio company or (D) as compensation, including fees, incentive equity or other stock awards, for services rendered by SOP Advisors (or a member thereof) to a portfolio company or prospective portfolio company. Various costs and expenses reduce such Portfolio Company Fees (and therefore such amounts will not reduce the DPC Fund II management fee), including out-of-pocket costs and expenses (including travel expenses) incurred by DPC II GP in connection with any consummated or unconsummated transaction or in connection with generating any such Portfolio Company Fees.

To the extent that any investment vehicle or any other entity or individual co-invests alongside DPC Fund II in any portfolio company investment, any amounts of the type that would otherwise constitute Portfolio Company Fees will be allocated among DPC Fund II and the co-investors in proportion to the cost of the investment or potential investment in the portfolio company held (or committed to be held) by each. Accordingly, DPC Fund II will, in most cases, only benefit with respect to its allocable portion of any such Portfolio Company Fee and not the portion of any fee allocable to any other investor in a portfolio company, which has the potential to be significant. Similarly, in certain circumstances, DPC expects that co-investors or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset will be applied after excluding any amounts paid to such persons.

The DPC Fund II Governing Documents permit DPC to waive or agree to reduce the DPC Fund II management fee. Certain waived portions of the management fee are treated by the Governing Documents as a deemed capital contributions by DPC II GP, which are effectively invested in DPC Fund II on DPC II GP's behalf, and operate to reduce the amount of capital DPC II GP would otherwise be required to contribute to DPC Fund II. The investors of DPC Fund II would, in such circumstances, be required to make a *pro rata* contribution according to their respective capital commitments to fund any contribution that would otherwise be required of DPC II GP in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced management fees are not subject to the management fee offsets described above, and the amount of such waived or reduced management fees has the potential to be significant. Due to waived or reduced management fees by DPC II GP and/or timing of receipt of compensation subject to offsets

(as described above), it is possible that management fee offsets could be delayed or not be fully realized by investors in DPC Fund II, resulting in a net additional benefit to DPC.

***Carried Interest***

DPC generally receives a carried interest from each Fund, as further described in Item 6.

***Other Information***

DPC is permitted to exempt certain “affiliated partner” investors in the Funds from payment of all or a portion of management fees and/or carried interest, including DPC and any other person designated by DPC, such as “friends and family” of DPC or its personnel, or other investors meeting certain qualification requirements. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by DPC, or through other vehicles that co-invest with a Fund. As noted above, management fee offsets generally apply only with respect to the capital commitments of fee-paying investors.

The Funds generally invest on a long-term basis. Accordingly, management and other fees are expected to be paid, except as otherwise described in the relevant Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Members of DPC’s investment team or other current or former employees of DPC generally receive salaries and other compensation derived from, and in certain cases including a portion of, the management fees, carried interest or other compensation received by DPC.

***Expenses***

Each Fund bears its reasonable and documented expenses, generally including, but not limited to, brokerage fees (see *Item 12 “Brokerage Practices”*); legal fees; fees and expenses associated with the preparation of audited financials and valuations; bank fees; fees and expenses associated with the preparation of such Fund’s tax returns and tax statements; and the additional items set forth below. The expenses to be borne by each Fund are set forth more fully in such Fund’s Memorandum and/or Governing Documents.

**DPC I Fund Expenses**

The DPC I Funds or their portfolio companies will reimburse DPC for all costs and expenses incurred by DPC in the course of its services (excluding ordinary overhead and administrative expenses incurred in connection with maintaining and operating its offices), including out-of-pocket costs and expenses incurred by DPC in connection with monitoring or otherwise providing services or benefits to portfolio companies, including, without limitation: (i) fees and expenses of legal counsel, financial advisors, accountants and third-party consultants engaged to assist in portfolio company matters, (ii) fees and expenses associated with marketing or promoting portfolio companies (including travel, entertainment, meals, lodging, transportation, supplies and gifts), (iii) fees and expenses associated with encouraging, recruiting or incentivizing current or prospective portfolio company employees, board members, or advisors (including travel, entertainment, meals, lodging, transportation, supplies and gifts), (iv) fees and expenses relating to the rental/occupation of DPC’s office space by portfolio companies, (v) fees and expenses incurred by members of portfolio company boards of directors in connection with performing their duties, and (vi) fees and expenses incurred in connection with the acquisition or disposition of assets (whether or not consummated), including

expenses with respect to potential acquisitions of assets that are not consummated, transactional fees, placement fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, and legal, accounting, investment banking, consulting, information services, travel and professional fees relating to discovery, investigation, development, making, management and disposition of the portfolio company assets (whether or not consummated).

#### DPC Fund II Expenses

DPC Fund II will pay all fees, costs, expenses, liabilities and obligations relating to DPC Fund II and/or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or potential portfolio company) including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, DPC Fund II's portfolio companies and actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful, (ii) indebtedness of, or guarantees made by, DPC Fund II, DPC or any "affiliated partner" on behalf of DPC Fund II (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee, (iii) financing, commitment, origination and similar fees and expenses, (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services, (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services, (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with DPC Fund II's third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to SOP Advisors, consultants performing investment initiatives and other similar consultants), tax and other professional services, (vii) reverse breakup, termination and other similar fees, (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, (ix) filing, title, transfer, registration and other similar fees and expenses, (x) printing, communications, marketing and publicity, (xi) the preparation, distribution or filing of DPC Fund II-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing, (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of DPC Fund II or its investors, (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data, (xiv) to the extent provided in DPC Fund II's Governing Documents or otherwise approved by DPC II GP in its sole discretion, activities or proceedings of DPC Fund II's advisory board (including any reasonable out-of-pocket costs and expenses incurred by representatives of DPC II GP, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board), (xv)

indemnification (including any fees, costs and expenses incurred in connection with indemnifying any investor or other person pursuant to DPC Fund II's Governing Documents and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to DPC Fund II's Governing Documents), except as otherwise set forth in DPC Fund II's Governing Documents, (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith, (xvii) any annual investor meeting or other periodic, if any, meetings of the investors and any other conference or meeting with any investor(s), (xviii) except as otherwise determined by DPC II GP in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a DPC Fund II expense or organizational expense if it were incurred in connection with DPC Fund II, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to DPC Fund II to the extent not paid by the investors investing in such entities, (xix) the termination, liquidation, winding up or dissolution of DPC Fund II, (xx) defaults by investors in the payment of any capital contributions, (xxi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of DPC Fund II, DPC II GP and related entities and any alternative investment vehicle of DPC Fund II, including the preparation, distribution and implementation thereof, (xxii) complying with any law or regulation related to the activities of DPC Fund II (including regulatory expenses of DPC II GP incurred in connection with the operation of DPC Fund II and legal fees and expenses), (xxiii) any litigation or governmental inquiry, investigation or proceeding involving DPC Fund II, including the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in DPC Fund II's Governing Documents, (xxiv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by an investor, (xxv) any taxes, fees and other governmental charges levied against DPC Fund II and all expenses incurred in connection with any tax audit, investigation settlement or review of DPC Fund II (except to the extent that DPC Fund II is reimbursed therefor by an investor or such tax, fee or charge is treated as having been distributed to the investors pursuant to DPC Fund II's Governing Documents), (xxvi) distributions to investors and other expenses associated with the acquisition, holding and disposition of DPC Fund II's investments, including extraordinary expenses, (xxvii) unreimbursed expenses and unpaid fees of SOP Advisors, (xxviii) compliance or regulatory matters related to DPC Fund II, except as set forth in its Governing Documents, (xxix) any travel (including, on occasion, the cost of chartering private aircraft at a cost above the cost of first-class commercial airfare, as approved by DPC Fund II's advisory board), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities, (xxx) any placement fees, and (xxxi) any other fees, costs, expenses, liabilities or obligations approved by DPC Fund II's advisory board. In addition, DPC Fund II will reimburse DPC II GP for DPC Fund II's and its affiliated entities' organizational and startup expenses, including travel, printing, legal, capital raising, accounting, regulatory compliance, any administrative or other filings and other organizational expenses. As further described in DPC Fund II's Governing Documents, DPC II GP will bear the cost (through an offset against DPC Fund II's management fee or otherwise) of any such organizational expenses in excess of a specified amount, and of any placement fees payable to any placement agent in connection with the formation of DPC Fund II.

To the extent that DPC incurs an expense permitted to be borne by DPC Fund II in accordance with its Governing Documents, it will be entitled to be reimbursed by DPC Fund II or to offset such amounts against any reduction of DPC Fund II's management fees.

### Other Expenses

As described above, in certain circumstances, DPC is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to the relevant Governing Documents and/or Side Letters, as well as the considerations described in Item 8 below. Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise have been beneficial, in the judgment of DPC, ultimately is not consummated, all “broken deal expenses” relating to such proposed transaction will generally be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction, except that in certain (but not all) cases in which a co-investor has already invested in a co-invest vehicle or such a co-invest vehicle has been formed in connection with a transaction that ultimately is not consummated, DPC expects that such co-investor or co-invest vehicle will bear it *pro rata* share of such expenses.

As further described herein and in the Memorandum or Governing Documents of each Fund, it is DPC’s practice to retain certain senior advisors and portfolio resources team members (collectively, the “SOP Advisors”) to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. The SOP Advisors generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. Senior advisors provide services to (or with respect to) a Fund or certain current or prospective portfolio companies in which a Fund invests. Portfolio resources team members are non-investment professionals that are employed by DPC whose primary function is to provide services to portfolio companies. The SOP Advisors may be affiliates of DPC, employees of DPC’s affiliates, portfolio companies, third-party consultants (including individual consultants and external executives), “operating partners,” “strategic partners,” “executive partners” or “senior advisors.”

In certain circumstances, these services are expected to also include serving in management or policy-making positions for portfolio companies. The SOP Advisors receive compensation, and such compensation may include, but is not limited to cash fees, retainers, transaction fees, a profits or equity interest in a portfolio company, profits or equity interests in one or more Funds or other DPC entities, remuneration from DPC and/or its Funds or affiliates or other compensation, which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the SOP Advisors, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. The SOP Advisors also generally will be reimbursed for certain travel and other costs in connection with their services. No such compensation or reimbursed amounts will reduce the management fee paid by any Fund or portfolio company. Portfolio resources team members’ compensation is allocated to and paid by portfolio companies, while senior advisors’ compensation generally is not. The use of the SOP Advisors subjects DPC to conflicts of interest, as discussed under “Conflicts of Interest,” below.

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

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DPC generally receives a carried interest with respect to each Fund based on such Fund’s realized profits, as more fully described in the relevant Memorandum and Governing Documents. As noted

above, DPC is permitted to exempt certain investors in the Funds from payment of all or a portion of the carried interest, including “affiliated partners.”

The terms of the carried interest differ among the Funds. This results in a potential conflict of interest when DPC allocates opportunities among the Funds because DPC has an incentive to favor Funds that have higher carried interest rates. Additionally, to the extent that DPC personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

To avoid such conflicts of interest, DPC will allocate investment opportunities on a fair and equitable basis, consistent with its fiduciary obligations and the underlying documents for each Fund. When allocating such opportunities or recommendations, DPC will not take into account the amount of carried interest received by DPC or any of its personnel.

The existence of carried interest has the potential to create an incentive for DPC to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although DPC generally considers carried interest to better align its interests with those of its investors.

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

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DPC provides investment advice to the Funds. The investors participating in the Funds currently are, or are expected to include, individuals, banks, thrift or other financial institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, employees of DPC and members of their families, SOP Advisors or other service providers retained by DPC. DPC requires investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment.

The Funds reserves the right to include alternative investment vehicles established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for legal, tax, regulatory, accounting or other similar reasons. DPC generally has limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents of the related Fund(s).

Each Fund generally has a minimum investment amount for third-party investors, as set forth in such Fund’s Memorandum or Governing Documents. DPC reserves the right to waive such minimum investment amounts. Fund interests are generally offered and sold solely to qualified purchasers (or qualified knowledgeable DPC personnel).

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

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

DPC’s principal strategy on behalf of the Funds is to make control investments in middle market companies, predominantly in the North American industrials sector. DPC’s strategy includes (i) a proactive, four-pronged sourcing model, (ii) a thesis-driven investment approach and (iii) a process-driven post-acquisition transformation model. DPC generally focuses its sourcing efforts on investments within the North American industrials sector selected based on (i) DPC’s relevant prior

investment experience or existing domain expertise and (ii) white paper thesis analysis. DPC's four-pronged sourcing model is designed to proactively identify high quality opportunities that fit DPC's investment themes. DPC has a particular focus on transactions requiring more complex execution, which DPC believes can be less competitive and may allow for more attractive entry valuations, as well as additional time with management to conduct diligence and develop strategic initiatives in advance of a deal closing. Post-acquisition value creation efforts are driven by a post-acquisition operational model that leverages DPC's investment team members' industry and operating expertise.

### ***Risks of Investment***

DPC's investment strategy involves significant risks, which clients and investors should be prepared to bear. The summary below does not purport to include every risk. Rather, it focuses upon those risks that are generally associated with DPC's investment strategy and philosophy. An investment in a Fund is speculative and involves a high degree of risk that investors should be prepared to bear, including the risk that the entire amount invested may be lost. There can be no assurance that DPC will achieve the investment objectives of any Fund.

**Business Risks.** The Funds' investment portfolios are expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

**Future and Past Performance.** The performance of DPC's or its investment team members' prior investments is not necessarily indicative of the Funds' future results. While DPC intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

**Investment in Junior Securities.** The securities in which the Funds will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment once made.

**Concentration of Investments.** Each DPC I Fund will participate in a single investment. DPC Fund II will participate in a limited number of investments, may seek to make several investments in one industry or one industry segment or within a short period of time, and is permitted to devote a significant amount of its aggregate capital commitments to a single investment. As a result, each Fund's investment portfolio is expected to be highly concentrated, and the performance of a single holding or of a particular industry may substantially affect a Fund's aggregate return. Furthermore, DPC Fund II may invest in fewer portfolio companies and thus be less diversified.

**Lack of Sufficient Investment Opportunities for DPC Fund II.** The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that DPC Fund II will never be fully invested if enough sufficiently attractive investments are not identified. However, DPC Fund II investors will be required to bear management fees during the investment period based on the entire amount of their capital commitments and other expenses as set forth in DPC Fund II's Governing Documents.

**Dynamic Investment Strategy.** While DPC generally intends to seek attractive returns for the Funds primarily through making control-oriented private equity investments, DPC may pursue additional investment strategies and may modify or depart from a Fund's initial investment strategy, investment process and investment techniques as it determines appropriate. DPC may pursue investments

outside of the industries and sectors in which DPC's investment team members have previously made investments.

**Illiquidity; Lack of Current Distributions.** An investment in any Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the portfolio management fees payable by the DPC I Funds' portfolio companies and the management fees payable by DPC Fund II) may exceed its income, thereby requiring that the difference be paid from such Fund's capital, including unfunded commitments.

**Leveraged Investments.** The Funds are permitted to, and generally are expected to, make use of leverage by incurring, or having a portfolio company incur, debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. In addition, this leverage could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the relevant Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Funds will invest generally will not be rated by a credit rating agency. Certain Funds also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt). The use of leverage by such Funds also will result in interest expense and other costs to such Funds that may not be covered by distributions made to such Funds or appreciation of their investments. Certain Funds may incur leverage on a joint and several basis with one or more other investment funds and entities managed by DPC and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

To the extent a Fund provides bridge financing to facilitate portfolio company investments, it is possible that all or a portion of such bridge financing will not be recouped within the time period specified in such Fund's Governing Documents, in which case the investment would be treated as a permanent investment of such Fund. As a result, a Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under such Fund's investment limitations, which exclude bridge financing investments.

Subscription Lines. A Fund may enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects investors to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from a Fund's investors, such investors may be obligated to contribute capital on an accelerated basis if such Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any investor claim against a Fund would likely be subordinate to such Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's investors and the terms of the relevant Governing Documents, it may be higher than the interest rate an investor could obtain individually. To the extent a particular investor's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact an investor's overall individual financial returns even if it increases the relevant Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for investors to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund and investors generally will not be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement may contain other terms that restrict the activities of a Fund and its investors or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant General Partner's ability to consent to the transfer of an investor's interest in the relevant Fund. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more investors.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay Fund expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for investors that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for an investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the investor to meet the accumulated, larger capital calls at the same time. A Fund may also utilize Fund-level borrowing when its General Partner expects to repay the amount outstanding through means other than investor capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, investors would end up with increased exposure to the underlying investment, which could result in greater losses.

Limited Transferability of Fund Interests. There will be no public market for any Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of any Fund interests under the Funds' Governing Documents and applicable securities laws. In general, withdrawals of any Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind to investors and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to investors, many investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such investors may be lower than the value of such securities determined pursuant to the Funds' Governing Documents, including the value used to determine the amount of carried interest available to DPC with respect to such investment.

Reliance on DPC and Portfolio Company Management. Control over the operation of each Fund will be vested with DPC, and each Fund's future profitability will depend largely upon the business and investment acumen of DPC's investment team. The loss or reduction of service of one or more DPC investment team members could have an adverse effect on any Fund's ability to realize its investment objectives. In addition, the DPC investment team currently manages, and expects in the future to manage, multiple Funds, and the need to devote substantial amounts of its time to the investment activities of the various Funds may pose conflicts of interest in the allocation of its time. Investors generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of DPC. In addition, certain changes at DPC or circumstances relating to DPC may have an adverse effect on a Fund or one or more of its portfolio companies, including potential acceleration of debt facilities.

Although DPC will monitor the performance of the Funds' investments, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the relevant Fund's objectives.

Risks Associated with Unspecified Transactions. Investors generally rely on the ability of DPC to locate and evaluate investments for the Funds. In particular, DPC Fund II investors will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the particular investments to be made by DPC Fund II. In addition, the activity of identifying, completing and realizing private equity investments is highly competitive, involves a high degree of uncertainty, and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that DPC will be able to locate, or that any Fund will be able to complete, portfolio investments that satisfy such Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values. Even if the investments of a Fund are successful, it may not produce a realized return to the investors for a number of years.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by DPC, in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different

from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Conflicting Investor Interests. Investors may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by DPC regarding an investment that may be more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, DPC generally will consider the investment and tax objectives of each Fund and its investors as a whole, not the investment, tax, or other objectives of any investor individually.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on any Fund's activities, including the ability of any Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Funds' efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Funds may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow-on investments or that such Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. The Funds may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the terms of the Funds), the application of complex U.S. and non U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or its investors with respect to a Fund's income, and possible non-U.S. tax return filing requirements for a Fund and/or its investors.

Additional risks of non-U.S. investments include: (i) economic dislocations in the host country, (ii) less publicly available information, (iii) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems, (iv) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction, (v) civil disturbances, (vi) government instability, and (vii) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Hedging Arrangements. DPC may (but is not obligated to) endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund or portfolio company may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund or portfolio company to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for Dunes Point L.P. and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption.

Carried Interest. The fact that DPC's carried interest is based on a percentage of net profits may create an incentive for DPC to cause a Fund to make riskier or more speculative investments or to hold an investment longer than would otherwise be the case.

Transfer by a General Partner. To the extent a General Partner, its partners, members of DPC's investment team and/or their respective affiliates commit to make a direct or indirect investment in or alongside a Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the relevant Fund's Governing Documents.

Director Liability. The Funds will often seek to obtain the right to appoint one or more representatives to the boards of directors (or similar governing bodies) of the companies in which they invest. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately such Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

Limitation of Recourse and Indemnification. Each Fund's Governing Documents will limit the circumstances under which DPC and its affiliates will be held liable to such Fund. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the relevant Fund's Governing Documents will provide that such Fund will indemnify DPC and its affiliates for certain claims, losses, damages and expenses arising out of their

activities on behalf of such Fund. Such indemnification obligations could materially impact the returns to investors.

Litigation. In the ordinary course of its business, any Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of a Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of DPC's and its investment team members' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Possibility of Fraud or Other Misconduct of Employees and Service Providers. Misconduct by employees of DPC, portfolio company officers or employees, service providers to the foregoing and/or their respective affiliates could cause significant losses to the Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by a Fund, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future marketing activities, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to the Funds. DPC has controls and procedures through which it seeks to minimize the risk of such misconduct occurring. However, no assurances can be given that DPC will be able to identify or prevent such misconduct.

DPC Fund II Advisory Board. DPC II GP will appoint one or more limited partner representatives to DPC Fund II's advisory board. DPC Fund II's Governing Documents will provide that to the fullest extent permitted by applicable law, none of the advisory board members will owe any fiduciary duties to DPC Fund II or any other investor in DPC Fund II. In addition, representatives of the advisory board may have various business and other relationships with DPC and its employees and affiliates. These relationships may influence their decisions as members of the advisory board.

Side Letters. DPC sometimes enters into Side Letters with certain investors in connection with their admission to a Fund without the approval of any other investors in such Fund, which would have the effect of establishing rights under or altering or supplementing the terms of such Fund's Governing Documents with respect to such investors in a manner more favorable to such investors than those applicable to other investors, and such rights may be significant. Such rights or terms in any such Side Letter may include, without limitation, (i) excuse, exclusion or withdrawal rights applicable to particular investments or investors (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, certain investments), (ii) reporting obligations of DPC, (iii) waiver of certain confidentiality obligations, (iv) consent of DPC to certain transfers by such investor, (v) different fee structures, (vi) co-investment rights, or (vii) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such investor.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its

portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon a Fund's portfolio companies.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events (such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011), which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event a Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that DPC believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective.

Limited Access to Information. Investors' rights to information regarding a Fund, the relevant General Partner or DPC generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to investors because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of DPC's control. Decisions by DPC or its affiliates to withhold information may have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for an investor to monitor DPC and its performance. Additionally, it is anticipated that investors that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other investors. Investors generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and DPC reserves the right to withhold certain information from investors subject to such laws for reasons relating to DPC's public reputation, business strategy or other reasons.

Material Non-Public Information; Other Regulatory Restrictions. As a result of the operations of DPC and its affiliates, as well as in connection with officerships or directorships of DPC personnel, DPC frequently comes into possession of confidential or material, non-public information. Therefore, DPC and its affiliates may have access to material, non-public information that may be

relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted, on account of applicable securities laws or DPC's internal policies, from initiating a transaction or selling an investment which, if such information had not been known to it, might have been undertaken.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent DPC or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of DPC's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by DPC or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

Unfunded Pension Liabilities of 80%-Owned Portfolio Companies. Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although DPC intends to manage the Funds' investments to minimize any such exposure, a Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where a Fund may own an 80% or greater interest in such a portfolio company. If a Fund (or other 80%-owned portfolio companies of a Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of such Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding Employee Retirement Income Security Act of 1974, as amended, control group liability, which may change in the future as case law and guidance develop.

Valuation of Investments. Generally, DPC determines the value of all of a Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of the Funds' investments because, among other things, the securities of portfolio companies held by the Funds are generally illiquid and not quoted on any exchange. There can be no assurance that DPC will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of DPC with respect to an investment will represent the value realized by the relevant Fund

on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by DPC may cause it to ineffectively manage the relevant Fund's investment portfolio and risks, and may also affect the diversification and management of such Fund's investments.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the relevant Fund and DPC may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by a Fund and, ultimately, its investors.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. The recent deterioration of the global credit markets has made it more difficult for investment funds such as the Funds to obtain favorable financing for investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, has dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. A Fund's ability to generate attractive investment returns may be adversely affected to the extent it is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.

Investments in Undervalued Assets. The Funds may invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. The Funds may be forced to sell, at a substantial loss, assets which they believe are undervalued, if they are not in fact undervalued. In addition, the Funds may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion of a Fund's funds would be committed to the assets purchased, thus possibly preventing such Fund from investing in other opportunities.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information, (ii) customer or portfolio company financial information, (iii) portfolio company software, contact lists or other databases, (iv) portfolio company proprietary information or trade secrets, or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. In

addition, in the event that such a cyber-attack or other unauthorized access is directed at DPC or one of its service providers holding its financial or investor data, DPC or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks.

### ***Conflicts of Interest***

DPC and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own accounts and for the accounts of multiple Funds, and providing transaction-related, management and other services to the Funds and their portfolio companies. DPC will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of DPC conducting its activities, the interests of a Fund likely will, in certain circumstances, conflict with the interests of DPC, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, DPC will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to required approvals by the advisory boards of, or investors in, the participating Funds.

DPC believes that, although DPC's investment team members have or may have economic interests in multiple Funds and investments, such team members' interest in the carried interest, as well as the significant investment of certain of such team members in the Funds, operate to align, to some extent, the interests of the investment team members with the interests of each Fund's investors. Allocations of investments among the Funds will be made on a fair and equitable basis, in a manner consistent with DPC's fiduciary duty and the relevant Funds' underlying documents. Portfolio companies of a Fund may potentially compete with other Funds' portfolio companies or other investments managed by DPC.

During the investment period of a Fund, DPC generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of such Fund for the benefit of such Fund, subject to certain exceptions set forth in the relevant Governing Documents. However, DPC currently manages, and expects in the future to manage, multiple Funds and several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those other Funds and investments. Over time, certain investment opportunities suitable for a Fund are likely also to be suitable for one or more other Funds. In determining which Funds should participate in such investment opportunities, subject to the relevant Governing Documents, DPC is subject to potential conflicts of interest among the investors in such Funds. Except as required by the relevant Governing Documents, DPC is not obligated to recommend any investment to any particular Fund.

To determine which Fund(s) will, or are required to, participate in an investment opportunity, DPC generally assesses whether such investment opportunity is appropriate for each relevant Fund based on the terms of such Fund's Governing Documents and such Fund's investment restrictions and objectives (including those set forth in such Fund's Governing Documents where applicable), investment strategies, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, cash level (if any), applicable tax and regulatory considerations, life cycle, structure and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds in the manner set forth in such Funds' Governing Documents.

After determining how to allocate an investment among the Funds, DPC will determine whether the available amount of an investment opportunity in which one or more Funds will invest exceeds an amount appropriate for such Fund(s), and DPC reserves the right to offer any such excess to one or more potential co-investors, including third parties and potentially one or more Fund investors and/or other persons, in each case on terms to be determined by DPC in its sole discretion. Conflicts of interest may arise in the allocation such co-investment opportunities. In exercising its sole discretion in connection with such co-investment opportunities, DPC may consider some or all of a wide range of factors, which may include, but are not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations; confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; DPC's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair DPC's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; and whether DPC believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Funds or DPC. Although DPC reserves the right to consider a prospective co-investor's willingness to invest in future Funds may be considered by DPC, it generally will not be the sole determining factor considered by DPC in identifying co-investors.

The Funds reserves the right to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments will involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the relevant Fund, or may be in a position to take action contrary to the investment objectives of such Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. Decisions regarding whether and to whom to offer co-investment opportunities will likely be made by DPC in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Fund investors, and it is possible that the consideration of the factors set forth above will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments receive none. When and to the extent that employees and related persons of DPC make capital investments in or alongside the Fund, DPC is subject to conflicting interests in connection with these investments.

DPC's allocation of opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations will likely be more or less advantageous to some such persons relative to others. While DPC will allocate investment opportunities in a way that it believes is fair and equitable to its clients under the circumstances and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would have been if the potential conflicts of interest to which DPC expects to be subject did not exist.

In certain cases, DPC will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, DPC will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on suitability and other factors similar to those employed in selecting co-investors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Additionally, potential conflicts of interest are expected to arise if a Fund makes an investment in a portfolio company in conjunction with an investment made by another Fund. For instance, a Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, investment terms, leverage and associated costs. There can be no assurance that the relevant Fund and other Fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that one Fund's return on such an investment will be the same as the returns achieved by any other Fund participating in a given transaction. DPC and its affiliates may from time to time express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different persons affiliated with DPC express different views regarding the same investment. Given the nature of the relevant conflicts, there can be no assurance that any such conflict can be resolved in a manner that is beneficial to all relevant Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Governing Documents of the Funds, DPC will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, DPC expects to face a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles, if any, eligible to bear or reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by DPC using its best judgment, considering such factors as it deems relevant, but in its sole discretion. The allocations of such expenses likely will not be proportional and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or DPC. The Funds generally have different expense terms, which may result in the Funds bearing different levels of expenses with respect to particular items or overall.

As a result of the Funds' controlling interests in portfolio companies, DPC typically has the right to appoint portfolio company board members or other senior executives (including current or former DPC personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members and/or such executives approve amounts payable to DPC in connection with services provided by DPC to such portfolio company. All such amounts are in addition to any portfolio management fees paid by a portfolio company to DPC, as well as management fees and carried interest paid by a Fund to DPC. DPC's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving amounts payable to DPC subjects DPC and any such portfolio company board appointees to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse DPC or service providers retained at DPC's discretion for expenses (including, without limitation, travel expenses) incurred by DPC or such service providers in connection with the performance of services for such portfolio company. This subjects DPC to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Funds' Governing Documents and DPC's internal reimbursement policies and practices, DPC determines the amount of these reimbursements for such services in its own discretion.

DPC generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) DPC (or an affiliate, which may include other portfolio companies of the relevant Fund or other Funds), (ii) an entity with which DPC or its affiliates or current or former members of their personnel have a relationship or from which any such persons derive a financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where DPC personnel are seconded, or from which DPC receives secondees or (iii) an investor in the relevant Fund (or another Fund) or its affiliates. For example, DPC expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain Fund investors or their affiliates that are engaged in lending or related business. This discretion subjects DPC to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, DPC has a potential incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that DPC, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to DPC or one or more Funds), would favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. DPC will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although DPC generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other other factors in retaining or recommending service providers. In certain circumstances where DPC commits or has committed to seek "market" or "arms-length" rates or terms, DPC will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Consequently, DPC undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking relates specifically to the assets or services to which such rates or terms relate. Whether or not DPC has a relationship with, or receives financial or other benefit from recommending, a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, DPC reserves the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds, or co-investors or co-invest vehicles. Such transactions may arise in the context of automatic or other rebalancing an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the

relevant Funds' Governing Documents or otherwise in the sole discretion of DPC, DPC reserves the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Funds (including, where authorized, the consent of each Fund's advisory board) to such transactions. In certain circumstances, DPC reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to a Fund under then-current market conditions. DPC intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although DPC generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. DPC generally intends, in such case, to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

DPC reserves the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by DPC and/or its affiliates. Conversely, former personnel or executives of DPC and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by DPC. Similarly, DPC, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. In certain situations, DPC might be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide DPC information about markets and industries in which DPC operates (or is contemplating operations) or will provide other services that are beneficial to DPC or one or more other Funds. DPC expects to be subject to a potential conflict of interest in making such recommendations, in that DPC has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

DPC and equity holders, officers and employees of DPC and its affiliates reserve the right to buy or sell securities or other instruments that DPC has recommended to a Fund. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of DPC have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore may have additional conflicting interests in connection with these investments.

In addition, as described above, portfolio companies typically pay certain fees to SOP Advisors and other consultants (including consultants introduced or arranged by DPC that regularly provide

services to one or more portfolio companies), and such fees do not offset or reduce any management fees payable by a Fund or portfolio company (as described herein). SOP Advisors generally make use of DPC resources or otherwise are associated with DPC. SOP Advisors generally receive investment opportunities, reimbursements and other compensation that will not offset or reduce the management fee payable by any Fund or portfolio company (as described herein). Although the use of SOP Advisors and the allocation of compensation paid to them by DPC and/or the portfolio companies subjects DPC to potential conflicts of interest, DPC believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of an SOP Advisor is lower than market rates for the services provided and/or if the services of the SOP Advisor align with DPC's model for the portfolio company and improve portfolio company performance. Although DPC seeks to retain SOP Advisors with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. DPC also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that DPC believes will align such persons' interests with those of the Funds' investors, and seeks to retain only SOP Advisors and service providers that it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Any of these situations subjects DPC to potential conflicts of interest. DPC attempts to resolve such potential conflicts of interest in light of its obligations to the Funds, and attempts to allocate investment opportunities among the Funds on a fair and equitable basis, consistent with its fiduciary obligations and the underlying documents for each Fund. To the extent that an investment or relationship raises particular conflicts of interest, DPC will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict.

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**Item 9: Disciplinary Information**

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There have been no legal or disciplinary events that are material to a client's or prospective client's evaluation of DPC's advisory business or the integrity of DPC's management.

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

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***Services by Related Persons***

DPC is affiliated with each entity comprising the General Partner (currently DPCEI and DPC II GP). Each such entity is subject to the Advisers Act pursuant to DPC's registration in accordance with SEC guidance. These entities operate as a single advisory business together with DPC and serve as managing members or general partners of Funds and generally share common owners, officers, partners, employees, consultants or persons operating similar positions.

***Management of Multiple Funds***

The management of multiple Funds will likely result in conflicts of interests when DPC and its related persons allocate time and investment opportunities among them. In addition, the compensation earned by DPC and its related persons from each of the Funds may differ from one another. As noted in Items 6 and 8 above, in order to avoid this conflict, DPC will allocate investment

opportunities on a fair and equitable basis, consistent with its fiduciary obligations and the underlying documents for each Fund.

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

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### ***Code of Ethics and Securities Trading Policy***

DPC has adopted a Code of Ethics and Securities Trading Policy (the “Code”), which is designed to ensure that DPC conducts its business in accordance with applicable laws and regulations and in an ethical and professional manner. The Code applies to all of DPC’s employees. In addition, DPC recognizes that it has a fiduciary duty to its clients, and that all of its employees will need to conduct their business on DPC’s behalf in a manner that enables DPC to fulfill this duty. Employees are provided with a copy of the Code and are required to sign and acknowledge that they will comply with its provisions on an annual basis. DPC will provide a copy of the Code to any client or prospective client (or investor or prospective investor, as determined by DPC) upon request.

### ***Personal Trading***

Under the Code, employees are required to obtain the written approval of DPC’s Chief Compliance Officer (the “CCO”) prior to executing certain trades, including investments in initial public offerings and participations in limited offerings. Prohibitions relating to personal trading also generally apply to any spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

Additionally, employees are required to provide the CCO with periodic reporting relating to their trading activity and personal accounts.

Employee personal trading activity is subject to review by the CCO.

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

DPC makes available to qualified prospective investors the opportunity to invest in the Funds. DPC’s investment professionals, other employees and affiliated entities may hold investments in the Funds. In addition, DPC generally receives a carried interest from each Fund. As such, DPC could be considered to have recommended to investors that they buy or sell investments in which DPC or a related person has a financial interest.

### ***Material Non-Public Information***

DPC and its affiliated persons generally are expected to come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect a market participant’s decision to buy, sell or hold a security. Under applicable law, DPC and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of DPC. Accordingly, should DPC or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, DPC generally would be prohibited from communicating such information to clients, and DPC will have no responsibility or liability for failing to disclose such information to clients as a result of following its policies and procedures designed to comply with applicable law. Similar restrictions may

be applicable as a result of DPC personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

**Other Activities**

DPC and its related entities and employees expect from time to time to carry on investment activities for their own accounts, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in the Funds, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar.

**Fund-Related Borrowing**

From time to time, a General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with its Governing Documents.

In borrowing on behalf of a Fund, DPC is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which a Fund's investors would otherwise be entitled had the relevant General Partner called capital, and thus could result in such General Partner receiving carried interest sooner than it would without borrowing. In addition, when a Fund's management fee is calculated as a percentage of invested capital, a Fund investor may pay management fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to investors will be commensurate with such costs.

DPC will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

**Item 12: Brokerage Practices**

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**Selection of Brokers**

The Funds will not typically invest in public securities. However, there may be situations in which DPC places a trade through a broker. If required to select a broker-dealer for a client transaction, DPC will seek "best execution" and will consider a number of factors during such selection, including, among others: execution capabilities, commissions, price, reputation, responsiveness, the quality of research provided, and financial strength.

**Research and Other Soft Dollar Benefits**

DPC does not have any formal or informal soft dollar arrangements. If DPC determines to engage in soft dollar transactions, it intends to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended.

**Trade Error Policy**

Although DPC generally does not engage in securities trading for clients, its investment personnel may on occasion experience errors with respect to investments made on behalf of clients. DPC will reimburse each client for net losses resulting from such errors in accordance with the terms of the exculpation provision in such client's Governing Documents.

**Aggregation of Orders**

To the extent DPC aggregates orders for purchase and sale, DPC will aggregate such orders as it deems appropriate and in the best interest of each client.

**Item 13: Review of Accounts**

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**Review of Accounts**

Client accounts are reviewed periodically to assure conformity with their investment objectives and guidelines. Such reviews are conducted as determined necessary by DPC based on each Fund's investments and as required by such Fund's Governing Documents.

**Reporting**

DPC furnishes investors in the DPC I Funds with periodic written unaudited performance reports on a quarterly basis. On an annual basis, DPC I Fund investors receive a copy of the relevant Fund's annual audited financial statements and tax information necessary for their tax returns. In addition, DPC furnishes investors in the DPC I Funds with fact sheets, valuations, capital statements and performance estimates on a semi-annual basis.

DPC generally will provide to investors in DPC Fund II: (i) annual audited financial statements and quarterly unaudited financial statements, (ii) tax information necessary for their tax returns, and (iii) annual reports providing a narrative summary of the status of each portfolio company investment.

In addition, investors will from time to time be provided with information about DPC and the Funds in response to questions and requests, and/or in connection with due diligence meetings and other communications, but such information will not be distributed to other investors and prospective investors who do not request such information. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by DPC is sufficient for its needs.

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

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**Compensation for Client Referrals**

DPC reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an investor in

a Fund. Any fees payable to any such placement agents generally will be borne by DPC either directly or indirectly through an offset against fees paid by the relevant Fund under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement (including, but not limited to placement agent travel, meal and entertainment expenses), typically are borne by the relevant Fund.

DPC does not currently utilize any placement agents, but continues to pay a fee to a third party that was previously used for investor referrals (in the manner described above).

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**Item 15: Custody**

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For purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), DPC is deemed to have custody over the Funds’ assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds’ audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) DPC delivers such annual audited financial statements to investors within 120 days after the end of each Fund’s fiscal year. Investors should carefully review the audited financial statements of each Fund.

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**Item 16: Investment Discretion**

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DPC has discretionary authority to manage securities accounts on behalf of its clients. The investors in the Funds generally may not place any limits on DPC’s authority beyond the limitations set forth in the Governing Documents and/or Memorandum of the applicable Fund.

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**Item 17: Voting Client Securities**

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To the extent that DPC trades in public securities, it will generally have voting discretion over securities held in clients’ accounts. Clients are generally not able to direct their votes in a particular situation. DPC has adopted a corporate action and proxy voting policy, which is summarized below.

When voting proxies, DPC will make a determination as to whether a material conflict of interest exists and will either resolve the conflict or refer the proxy vote to an outside service for its independent consideration.

In the absence of a conflict of interest, DPC will vote all proxies in the best interests of each client and will apply the following guidelines, as applicable: (i) DPC will attempt to consider all aspects of the vote that could affect the value of the issuer or that of the relevant client, (ii) DPC will vote in a manner that it believes is consistent with the relevant client’s stated objectives, and (iii) DPC will generally vote in accordance with the recommendations of the issuer’s management on routine and administrative matters, unless DPC has a particular reason to vote to the contrary or abstain.

Upon request by a client or investor, DPC will disclose to such client or investor how it voted proxies for securities owned by such client or by a Fund in which such investor is invested. DPC will also provide a copy of its corporate action and proxy voting policy to clients and investors upon request.

**Item 18: Financial Information**

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DPC is not required to include its balance sheet for its most recent fiscal year with this Form ADV, Part 2A.

**Item 19: Requirements for State-Registered Advisers**

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DPC is not a state-registered adviser.