



Part 2A of Form ADV

Firm Brochure

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DGS CAPITAL MANAGEMENT, LLC

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This brochure provides information about the qualifications and business practices of DGS Capital Management, LLC ("DGS", "we", the "Form", and/or the "Company". If you have any questions about the contents of this brochure, please contact us at info@dgs.capital or at www.dgs.capital. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about DGS Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Registration with the U.S. Securities and Exchange Commission or state authorities does not imply a certain level of skill or training and no inference to the contrary should be made.



ITEM 1: COVER PAGE

Please refer to previous page

ITEM 2: MATERIAL CHANGES

Since our last filing, there have been the following material changes to report.

Future Changes: From time to time, we may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually.

You may also request a copy of the Disclosure Brochure at any time, by contacting us at the number listed on www.dgs.capital or by emailing us at info@dgs.capital.



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ITEM 4: ADVISORY BUSINESS

ABOUT DGS CAPITAL MANAGEMENT, LLC

DGS Capital provides direct indexing services to individuals and institutions through intermediaries such as wealth managers and multi-family offices. The firm's direct indexing offerings specialize in tax-efficient investing, factor-investing, and values-based investing. For a subset of clients, DGS offers turnkey asset management services (TAMP) and manages domestic fixed income portfolios.

DGS Capital Management was founded in 2016 and is structured as an LLC registered in the state of Delaware. DGS Capital Management is solely owned by Ashish Sharma. Ownership interests are outlined in Form ADV Part 1.

TYPE OF ADVISORY SERVICES

Direct Indexing

DGS provides discretionary direct indexing equity strategies with three key focus areas:

- 1) Tax-managed investing
- 2) Factor-based investing
- 3) Values-based investing

The direct indexing strategies offered by DGS provide three primary benefits relative to mutual funds and ETFs: improved after-tax returns, systematic and low-cost approach to factor-based and values-based investing, and client-specific customizations. The strategies managed by DGS aim to either track the returns of a broad market-based index (the benchmark index) or outperform the relevant benchmark on a risk-adjusted basis using investment styles such as profitability, value, and low-volatility.

In addition to the standard, pre-configured set of direct indexing strategies that DGS offers, clients can tailor the portfolios to meet their exact needs and requirements. These customizations may include restrictions against certain companies, elimination of specific industries/sectors/countries, the inclusion of specific factor tilts, or the addition of customized values-based constraints (also referred to as environmental, social, and governance - or ESG - investing).

Each strategy has its own expected risk and return characteristics relative to broad market indices and clients may select the investment strategies that is consistent with their requirements and objectives. DGS helps guide clients and/or intermediaries through the process of selecting the investment strategy that would best serve their specific needs. Once the client has chosen the investment strategy and target asset class, DGS is responsible for the implementation of the strategy and its on-going management and supervision. Clients are free to change their strategy at any time by contacting DGS in writing and should also inform DGS if there are any changes to their investment objectives, goals, or constraints.

Fixed Income Strategies

For a limited number of clients, DGS provides discretionary fixed income separate account management. The primary focus area of these fixed income is building customized municipal and treasury bond strategies. Once the clients have selected the target duration for the portfolio, DGS is responsible for the implementation of the strategy and its on-going management and supervision.

Turnkey Asset Management Program

DGS offers a turnkey asset management program ("TAMP") to select advisors that are currently utilizing DGS's direct indexing strategies or intend on using DGS's direct indexing strategies. In addition to managing the direct indexing strategies, DGS provides several other services related to investment management, trading, and operations. These may include, but are not limited to, the selection of ETFs, mutual funds, and/or other pooled investment vehicles, creation of

model portfolios, firm wide rebalancing, ad-hoc trading, portfolio accounting and performance reporting, client portal management, billing and fee calculation, and invoice generation. These TAMP services are not provided in isolation and may only be provided if an advisor is currently using DGS's direct indexing strategies or intends to use DGS's direct indexing strategies. There is no guarantee that DGS will accept the TAMP relationship, even for existing direct indexing strategy clients; a determination will be made on a case-by-case basis. In the event that DGS does offer these services to an advisor, the primary advisor will work with the end client to determine the appropriate asset allocation and will notify DGS of any adjustments that may be needed in the target asset allocation based on changes in the client's investment goals, needs, or constraints.

Wealth Management Services

For a limited number of clients, DGS offers discretionary wealth management services. In addition to offering the direct indexing strategies, these services may include asset allocation and security selection including the purchase of publicly available mutual funds and ETFs. These services may also include summarizing a client's assets, liabilities, current and anticipated income and expenditures, retirement planning, college planning and planning for other goals. The wealth management client portfolios are designed and managed based upon each client's circumstances including their individual financial goals, investment time horizon, tax situation, funding and other requirements. DGS is currently not accepting any new wealth management relationships.

Advice on Outside Accounts

DGS may provide investment advice to a limited set of Clients where the accounts are not held at DGS. For such accounts, including company 401(K) accounts, clients may ask DGS to review the investment options available as well as to provide asset allocation recommendations. Additionally, clients may ask DGS to provide analysis of investment portfolios that are not being managed by DGS. For any such work, DGS may charge an hourly fee as described in Item 5.

DGS may choose not to enter an investment adviser relationship with a prospective Client whose investment objectives might be incompatible with our investment philosophy and/or our strategies or where the prospective Client imposes restrictions deemed too severe for the successful implementation of our strategies.

As of 12/31/2020, DGS has \$129,274,104 assets under management on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

As adviser to its Clients, DGS is compensated by an annual fee that is charged as a percentage of clients' assets under management. DGS may bill its Clients in advance or in arrears, in accordance with the terms of the agreement. Fees are negotiable at the sole discretion of DGS and may be different based on the account size and relationship with the client.

Direct Indexing Strategies

For its direct indexing services, DGS charges an annual management fee based on a percentage of client assets under management (including, but not limited to, cash balances and cash in money market funds, closed-end funds, and ETFs), as described in the standard fee schedule below, with an annual minimum of \$2,500 per account. The fees are typically payable quarterly in arrears. The annual minimum of \$2,500 may be waived or negotiated based on the relationship and the average account size.

Below are the standard annual investment advisory fees for the direct indexing strategies:

Plain Indexing:	0.25% of assets under management
Factor-Investing add-on:	Additional 0.05% assets under management
Tax-Management add-on:	Additional 0.10% assets under management
Values-Investing add-on:	Additional 0.15% of assets under management

Turnkey Asset Management Program

For TAMP services, DGS charges an annual management fee based on a percentage of client assets under management. Advisors can choose to pass the cost on to their clients, in which case DGS debits the client accounts directly. Advisors can also choose to pay DGS directly, in which case DGS invoices the advisor. In certain cases, advisors may choose to pass on the cost of direct indexing strategies to the clients and pay themselves for any assets not utilizing direct indexing strategies. The fee for DGS's TAMP services typically range between 0.20%-0.30% depending on the advisor's account mixture and the services being provided by DGS.

Wealth Management Services

DGS provides wealth management services for a limited set of clients. For its wealth management services, DGS charges an annual management fee based on a percentage of client assets under management. The fee for this service is 1.00% subject to an annual minimum of \$10,000 per household. Fees may be negotiable depending on the client circumstances and any changes to the fee structure would be evaluated on a case-by-case basis. Instead of a percentage-based fee, clients may also be offered a flat annual retainer fee that is independent of the clients' assets under management. These fees are typically payable quarterly in arrears. The fees for any direct indexing strategies that are used for wealth management clients are billed separately, and, in addition to the fee paid for wealth management services. Unless clients pay an all-inclusive fee for both wealth management and direct indexing services, there exists a conflict of interest since DGS earns more fees by allocating client assets to DGS's in-house direct indexing strategies. To mitigate this conflict, the direct indexing strategies are only recommended to clients if they fit in with the client's investment goals and requirements. Additionally, care is taken that the fees of the direct indexing strategies to the client is comparable to the fees of using other investment vehicles that provide similar benefits.

Billing of Advisory Fees

Fees for non-wrap program clients are typically billed quarterly in arrears and are deducted directly from each client's account by their custodian and paid directly to DGS, unless otherwise specified in writing by a client. The fee is calculated based on the total account value at the end of the prior quarter. Advisory fees charged by our firm may be subject to local and federal taxes.

The consent for deduction of fees is generally contained in the written agreement the client enters with DGS. Consent is also provided to the custodian by the client through the submission of a limited power of attorney that typically assigns DGS discretionary trading authority and the authority to debit fees by submitting invoices directly to the custodian. Clients' custodians deliver an account statement periodically (at least quarterly) directly to clients. The statements include all transactions that took place in the account during the period covered including any fees deducted and paid to DGS.

Clients are encouraged to review their account statements for accuracy and compare them to any reports received from DGS. Should there be any discrepancies, clients should rely on the information in their custodian's account statement.

Since investment advisory fees are typically billed quarterly in arrears, if the contract is terminated during a quarter, the amount due is prorated for the period services were provided. If fees are charged in advance and a contract is terminated during a quarter, the portion of the fee paid for the remainder of the period may be refunded. Clients who are charged their fee in advance and terminate their agreement during the quarter should reach out to their DGS representative or to the chief compliance officer to request a refund by providing in writing the address to which the prorated fee, if applicable, should be mailed. The amount refunded will be pro-rated according to the portion of the quarter which was prepaid and not earned. For fees charged in arrears, the amount due is prorated for the period services were provided.

Other Fees

The fees described above are specific to DGS's services. Clients may be responsible for any additional fees and expenses charged by third parties such as custodians and brokers, including, but not limited to, any commissions incurred from transactions placed in the Client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information. All fees paid to DGS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Clients could invest in a mutual fund directly, without our services. In that case, the Client would not receive the services provided by our firm which are designed, among other things, to assist the Client in determining which mutual funds are most appropriate to each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided.

DGS charges an hourly rate of \$350/hour for any work conducted outside the scope of the investment advisory agreement or external to the assets held under the discretionary management of DGS. Such work may include the analysis of external investment portfolios or analysis of individual securities that are not held in accounts being managed by DGS.

ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

DGS does not charge performance-based fees. As a result, DGS does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that have a different fee structure. As described in Item 5, our fees are based on assets under management, in accordance with the Advisers Act Rule 205(a)(1). While accounts may be managed with the same investment style and target index, the underlying holdings will likely differ based on a variety of reasons including, but not limited to, time of implementation, size of the account, legacy holdings, and/or client-specific restrictions.

ITEM 7: TYPES OF CLIENTS

Types of Clients

- Registered Investment Advisors
- Family and Multi-Family Offices
- Charitable organizations including Family Trusts, Endowments, and Foundations
- Individuals, High-Net-Worth Individuals, and Trusts
- Corporations and Partnership Firms

Conditions for Managing Accounts

DGS has certain minimum account size requirements that need to be met for the purposes of opening an account. These minimum account requirements are based on the type of relationship (direct or through an intermediary) and may be changed in certain circumstances provided that regulatory mandated minimums are being met. The Client must agree to custody assets at a qualified custodian with whom DGS has an existing relationship or with whom DGS agrees to establish a new custodial relationship. The client is required to grant DGS the authority to manage their account by providing the custodian with a Limited Power of Attorney ("LPOA"). The LPOA grants DGS with discretionary trading authority allowing us to implement and manage the account based on the agreed upon investment strategy.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Method of Analysis

DGS provides discretionary asset management using quantitative investment strategies. Quantitative investment analysis involves studying large amounts of data using models to determine the relative attractiveness of securities. DGS uses both traditional fundamental metrics such as valuation and profitability as well technical indicators such as momentum. The determination and calculation of these various factors, the portfolio construction process, the optimization methodology, the account review process, and the trading procedures used form the foundation of DGS's investment process.

DGS does not use traditional sell-side research reports or third-party security recommendations in the construction of its portfolios. DGS leans on extensive academic research and its own internal research to determine the feasibility and capacity of new investment strategies. The internal research is conducted using fundamental and market data provided by firms such as Morningstar, Bloomberg, and MSCI. The strategies are implemented using a systematic, rules-based process that is objective and repeatable.

Direct indexing Strategies

DGS's primary focus is on public equity markets. We offer a wide range of direct indexing strategies to advisors, family-offices, institutions, and high-net worth individuals. All strategies are based on a common investment philosophy and are implemented using a systematic and disciplined approach. These low-cost, diversified strategies offer a compelling alternative to both passive indexing and traditional active management.

A. Active Tax Management

DGS's Active Tax-Management strategy allows investors to replicate the returns of an equity index on a pre-tax basis and outperform it on an after-tax basis. Taxes can be a large drag on investment returns and we believe it is crucial for clients with taxable assets to incorporate tax-management as an integral part of their investment strategy. The 'tax-alpha' or after-tax outperformance is added by using sophisticated loss harvesting techniques combined with lot-level accounting.

B. Factor-Investing

DGS's Factor-Based strategies allow clients and advisors to create portfolios that mimic alpha-seeking active strategies by providing a systematic bias to popular factors including, but not limited to, profitability, value, dividend yield, momentum, and low-volatility. Actively managed funds have historically underperformed passive benchmarks owing to higher costs and a lack of a systematic, repeatable process. Smart beta ETFs provide a better alternative compared to traditional active management, but they offer limited customization and usually suffer from inadequate liquidity for larger accounts. DGS's Factor-Tilt strategy provides the best of both worlds offering access to a broad set of investment factors with the low-cost and diversification benefits associated with passive strategies. For taxable accounts, DGS automatically adds the active-tax management overlay to accounts utilizing the Factor-Based strategies.

C. Values-Based Strategies

DGS's Values-based strategies allows clients to build portfolios that represent their specific set of values and beliefs. Environmental, social, and governance (ESG) factors form the three primary pillars of values-based investing. DGS sources extensive ESG data from industry-leading research providers. This allows us to offer our clients a diverse and comprehensive set of criteria to choose from. Clients can choose a plain index as their target asset class or combine their ESG strategy with the Factor-Tilt strategy. Additionally, Active-Tax Management can be integrated into the strategy for taxable accounts.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

There can be no assurance that a Client's investment objectives will be achieved and no inference to the contrary is being made. Prior to entering into an agreement with DSG, a Client should carefully consider: (1) committing to management only those assets that the Client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to five years, (2) that volatility from investing in the markets can occur, and (3) that over time the Client's assets may fluctuate and at any time be worth more or less than the amount invested.

Some additional general investment risks Clients should be aware of include, but are not limited to, the following

Market Risk: The price of a stock, bond, mutual fund or other security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances.

Equity Risk: Since the strategies invest in equity securities, they are subject to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of each strategy's equity securities may fluctuate drastically from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in the strategies we offer.

Foreign Risk: Since DGS provides strategies catering to global equity markets, a significant portion of investments may be in the overseas markets (international securities). These pose special risks, including currency fluctuation and political risks, and such investments may be more volatile than that of a U.S. only investment. The risks are generally intensified for investments in emerging markets.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Interest Rate Risk: Interest rate risk is associated with movements in interest rates, which depend on various factors including, but not limited to, government borrowing, inflation, and economic performance. The value of investments may change with a change in interest rates. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.

Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its fair market value. The primary measure of liquidity risk is the security's bid-ask spread and the available volume that can be traded without making a price impact. The lack of liquidity may force one to spend more than the fair market value when purchasing a security or receive less than the fair market value when selling a security.

Credit Risk: Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to factors such as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.

Mutual Fund Risk: This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including performance of their underlying stocks, derivatives instruments, stock lending, offshore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect performance of the investment in mutual fund units.

ITEM 9: DISCIPLINARY INFORMATION

DGS Capital does not have any legal or disciplinary events and thus has no information to disclose with the respect to this item. Clients can obtain the disciplinary history of DGS Capital or its representatives from the federal or state securities divisions upon request.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

DGS Capital Management, LLC is affiliated with DGS Capital Management Private Limited, a portfolio management firm domiciled in India as disclosed in Form ADV Part I. DGS Capital Management Private Limited is a Portfolio Manager registered with the Securities and Exchange Board of India that works exclusively with clients based out of India and provides portfolio management services focused on investing in the Indian markets. The two firms may share intellectual property and other resources for mutual benefit provided that the sharing of such resources meets all regulatory and compliance standards. The firms may refer Clients or prospects to each other or other wealth managers, accountants, tax specialists, attorneys, and other professionals. Furthermore, such professionals may refer their Clients or prospects to DGS. Referrals both to and from DGS are made without any compensation or other commitment unless otherwise disclosed in this document in Item 14: Client Referrals and Other Compensation.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics: DGS has adopted a detailed Code of Ethics that all employees must follow. The code provides personnel with guidance for ethical obligations regarding their fiduciary duties that form the basis of all client dealings and their personal securities transactions. Specifically, the code describes all employees involved with portfolio management or trading as Access Persons who are required to report all personal trades and investment holdings (unless the investment accounts can only invest in pooled investment vehicles such as mutual funds). The code also provides procedures for employees to report any violations. The code is reviewed and distributed on an annual basis and all employees are required to certify that they have read and understood the Code of Ethics and agree to follow it.

CFA Asset Managers Code of Professional Conduct: Since DGS primarily functions as an investment manager, DGS has also adopted the Asset Managers Code of Professional Conduct developed by the CFA Institute to serve as the foundation of its ethical practices with respect to investment management. The code was developed by the CFA Institute in consultation with investors and asset managers with the goal of outlining the ethical and professional responsibilities for asset managers investing on behalf of Clients. The code provides practical guidelines in six main areas of conduct designed to apply to all facets of the manager-Client relationship.

1. Loyalty to Clients
2. Investment process and actions
3. Trading

4. Risk management, compliance and support
5. Performance and valuation
6. Disclosures

In addition to the detailed guidelines for each area of conduct, the general principles of the code state that DGS has the following responsibilities to its Clients:

- To act in a professional and ethical manner at all times
- To act for the benefit of Clients
- To act with independence and objectivity
- To act with skill, competence, and diligence
- To communicate with Clients in a timely and accurate manner
- To uphold the rules governing capital markets

Participation or Interest in Client Transactions

DGS does not affect any principal or agency cross securities transactions for Client accounts, nor do we affect cross-trades between Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys/sells any security from/to any advisory Client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Should we ever decide to affect principal trades or cross-trades in Client accounts, we will comply with the provisions of Rule 206(3) of the Advisers Act.

Personal Trading

DGS permits personal account trading which may include securities being purchased by DGS for its Clients which creates a potential conflict of interest. To mitigate this, the code clearly outlines that DGS and associated persons must give priority to investments made on behalf of the Client over those that benefit the managers own interests. Additionally, the code also states that DGS must deal fairly and objectively with Clients when providing investment information, making investment recommendations, or taking investment action.

While transactions are unlikely to take place at the same time, any negative impact of overlapping trading is minimized by running liquidity checks. As a part of the firm's investment process, liquidity is a key component before implementing trades for Clients' accounts. Securities which do not have enough liquidity, may be removed from the trade list. This ensures that the impact on prices due to trading by DGS is minimized and reduces the probability of a conflict of interest with personal trading in relation to front running of trades. Additionally, the diversified nature of the direct indexing strategies managed by DGS generally means that the average transaction size as a percentage of the account is generally under 0.50%.

ITEM 12: BROKERAGE PRACTICES

Selection Criteria

The selection of the broker-dealer used for executing transactions is dependent on several factors that are summarized below

- **Execution Rates:** DGS will select brokers that provide the lowest rates of executions (all else equal). Brokers may have different rates depending on the type of Clients, the total amount traded with the broker, and the types of securities traded.
- **Execution Quality:** DGS will select brokers that provide the best execution (all else equal). While most brokers provide execution services across all asset classes and size segments, certain brokers may have a

specialization in certain asset classes or a certain segment of securities. Brokers may also provide a suite of algorithms that improve trading efficiency and minimize trade impact.

- **Ease of Execution:** DGS will select brokers that provide the most seamless trade execution processes (all else equal). Some brokers allow trades to be routed using an Order Management Process (OMS) while certain brokers require spreadsheets to be emailed with instructions provided either online or over the phone. Brokers may allow access to trade execution reports from an online platform or send reports via email in spreadsheet format.

All these factors are taken into consideration to decide which brokerage services to use to execute trades for Client accounts.

Cost to “Trade-Away”

Firms such as Charles Schwab, Fidelity, and TD Ameritrade generally do not charge clients a separate fee for custody services. Instead, they are compensated by charging commissions on trades that they execute and/or settle in client accounts. They may charge a fixed fee per trade or a percentage of assets under management (asset-based pricing). These firms also allow DGS to trade securities for the client’s account through other brokers (called trading away). In addition to the fee paid to the outside broker, firms like Schwab and TD will charge a flat-dollar fee for each trade that is executed outside of their brokerage platform. Due to this, in order to minimize transaction costs, DGS chooses to execute trades with the custodian/broker of the client account. Starting 2019/20, most major custodians either reduced or eliminated commission charges for securities traded on US exchanges for clients of DGS further improving the benefit of trading directly through the custodian’s brokerage services.

Commissions, Soft-Dollar Arrangements, and Directed Brokerage

DGS has tailored its broker selection process to mitigate any potential conflicts of interest. These policies directly align the interests of DGS with those of its clients relating to all brokerage related services.

- DGS does not charge any commissions on trades.
- DGS does not have any soft-dollar arrangements with brokers.
- DGS does not allow clients to choose brokers.
- DGS does not direct brokerage in exchange of client referrals.
- DGS does not direct brokerage in exchange for research or other services or products not related directly to trade execution.

ITEM 13: REVIEW OF ACCOUNTS

The majority of DGS’s assets under management are through its direct indexing strategies. DGS has developed a robust platform for the review and day-to-day management of these accounts. All accounts utilizing the direct indexing strategies are reviewed daily for a variety of metrics that may impact the risk/return characteristics of the account. If any account’s metrics go beyond its predefined constraints, an account review is triggered. In addition to the account level review, the performance of the various direct indexing strategies is reviewed on a quarterly basis to confirm that they are performing as per expectations.

For mutual fund and ETF portfolios (assets outside of the direct indexing strategies), the asset allocation of those accounts is monitored on a periodic basis, usually quarterly, and accounts are rebalanced if the current asset class weights have moved beyond than predefined allowable variance. DGS reviews accounts at least annually or when markets warrant. An account may also be reviewed on a non-periodic basis if there is a change in client circumstances. The reviews include checking various metrics including, but not limited to, the cash balances, the asset allocation, and the performance of the account on an absolute and/or relative basis.

The qualified custodian prepares reports of client accounts that includes a summary of the account balance, the account holdings, and performance data. These statements are sent directly to clients either electronically or as a hard copy, depending on the Clients' preferences. These reports are typically sent out quarterly.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Currently, DGS does not have any referral or solicitor arrangements.

DGS may pay referral fees to independent persons or firms ("Solicitors") for introducing Clients to DGS. If a referral fee is paid or is to be paid, the Solicitor is required to provide the prospective Client with a copy of this document (Firm Brochure) and a separate disclosure statement that includes the following information

- the Solicitor's name and relationship with DGS;
- the fact that the Solicitor is being paid a referral fee or receiving any other related benefits;
- the amount and type of fee; and
- whether the fee charged to the Client by DGS will be increased above the usual fee in order to compensate the Solicitor

In an instance where DGS does set up a solicitor relationship, our policy would be to not increase the advisory fees payable by the Client to cover for referral fees.

ITEM 15: CUSTODY

Custody, as it applies to investment advisors, is not limited to having physical possession of client assets. It has been defined by regulators as having access or control over Client funds and/or securities. If an investment adviser has access to or can control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. However, the authorization to trade in client accounts is not deemed by regulators to be custody.

DGS is deemed to have custody of client funds and securities whenever DGS is given the authority to have fees deducted directly from client accounts. This is the only form of custody that DGS maintains.

For accounts in which DGS is deemed to have custody, the following procedures have been established to ensure safety of client assets:

- All client funds and securities are held at a qualified custodian in a separate account for each client under that client's name.
- Clients open the accounts directly with the custodian and therefore are aware of the qualified custodian's name, address and the way the funds or securities are maintained.
- Clients have access to the custodian's online platform where they can log in to view their account balances and holdings on a regular basis. Clients should carefully review any statements that they receive from DGS and compare them with the statements received by the custodian and/or with the data available to them online on the custodian's portal.
- Clients are welcome to discuss or clarify all parts of their statements with DGS during normal business hours.

ITEM 16: INVESTMENT DISCRETION

Discretionary Authority

Clients provide DGS discretionary authority to manage their accounts by executing the Limited Power of Attorney (LPOA) allowing the custodian to receive investment instructions from DGS and by signing the Client agreements. The Client agreement and LPOA provide DGS with the authority to manage the portfolio according to the agreed upon strategy, to buy and sell securities, invest or raise cash, deduct any fees and perform any other actions consistent with the on-going management and supervision of the portfolio.

In certain circumstances, Clients may provide DGS with restrictions that DGS may incorporate into the investment objectives and investment strategy. However, DGS still maintains discretionary authority and the Client may not ask DGS to make additional investment decisions outside the scope of the agreed upon restrictions.

ITEM 17: VOTING CLIENT SECURITIES

DGS invests primarily in equity securities through its direct indexing strategies. As such, DGS is delegated the responsibility to vote proxies unless directed otherwise by Clients in writing. DGS relies on third-party service providers to vote proxies consistent with what we believe is in the best interest of the Clients. DGS offers two proxy voting policies for its direct indexing accounts – Shareholder Value (“SV”) and Socially Responsible (“SRI”).

The responsibility for voting proxies on behalf of a client account is typically assigned to DGS in the investment management agreement and/or the LPOA forms submitted to the custodian. Once DGS has agreed to vote proxies on behalf of a client account, it will instruct the client’s custodian to forward all proxy materials to Broadridge Financial Solutions, a proxy voting service provider currently engaged by DGS to administer proxy voting. DGS currently utilizes Broadridge’s ProxyEdge tool to manage, track and vote proxies in a more accurate and timely manner.

For those clients for whom DGS has undertaken the responsibility to vote proxies, DGS will retain final authority and responsibility for such voting. DGS will not accept instructions from a client as how to vote a proxy unless such instructions have been requested by DGS due to a conflict of interest. There may be certain instances when DGS may choose not to vote proxies including but not limited to instances where a proxy ballot is received for a client account that is no longer managed by DGS, where a proxy is received for a security that is no longer being managed, or when voting a proxy would restrict DGS’s ability to trade the underlying security.

A client can request a complete copy of our current proxy voting policies and guidelines or request information on how we have voted proxies by policy, by emailing us at info@dgs.capital.

ITEM 18: FINANCIAL INFORMATION

DGS does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. We do not have any financial commitments that impair our ability to meet contractual and fiduciary obligations to clients and have not been the subject of a bankruptcy proceeding.