

# **Disruptive Technology Advisers LLC**

**1925 Century Park East, Suite 1700  
Los Angeles, CA 90067**

**March 2021**

This brochure provides information about the qualifications and business practices of Disruptive Technology Advisers LLC (“DTA” or the “Investment Adviser”), DTA II LLC and DTA Liquidity Fund I GP LLC (each a “Manager”, and collectively, with DTA, the “Firm”). If you have any questions about the contents of this brochure, please contact Christopher Mates, DTA’s Chief Compliance Officer (“CCO”) at (424) 205-6853 or [chrism@dtadvisers.com](mailto:chrism@dtadvisers.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration as an investment adviser does not imply that DTA or any of the principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

**Item 2: Material Changes**

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This brochure, dated March 2021, has been prepared by DTA and supersedes the prior version of this brochure dated March 2020 ("Prior Version").

Since the Prior Version, the Firm has changed its office location which is disclosed on the cover page of this brochure. There are no other material changes at this time.

**Item 3: Table of Contents**

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**Item 4: Advisory Business**

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Disruptive Technology Advisers LLC (“DTA” or the “Investment Adviser”) is a Delaware limited liability company founded in 2012. DTA is solely owned by DTA Master, LLC, a multi-member limited liability company of which Alexander Davis is the majority owner.

DTA has been appointed by the managers, DTA II LLC and DTA Liquidity Fund I GP, LLC (collectively, the “Managers”) to be responsible for the investment activities of various private investment vehicles and special purpose vehicles (each, a “Fund,” and collectively, the “Funds”), created for the purpose of making and managing investments in privately held companies (“Company Securities”). Please note such Company Securities are anticipated to become public companies, however, such investments are privately held companies at the time of purchase.

The Funds have been formed to invest in securities of companies (i) directly via purchases from shareholders of the company, (ii) through investments in other investment vehicles that hold securities of the company or, (iii) if the opportunity arises, directly from the company. DTA does not tailor its investment services to any individual Fund investor (“Investor”). The Funds are managed in accordance with the investment objectives, strategies, restrictions and guidelines found in their respective private placement memoranda (“PPM”). Additional information about the Funds can be found in their offering documents.

DTA does not currently nor does it intend to offer a wrap fee program at this time.

As of December 31, 2020, DTA has approximately \$2,016,605,400 of assets under management, all of which are managed on a discretionary basis. At this time, DTA does not manage any assets on a non-discretionary basis.

**Item 5: Fees and Compensation**

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**Advisory Fee**

For a period of one year, Investors will pay DTA an advisory fee (the “Advisory Fee”) based on the aggregate amount of their unreturned capital contributions. The obligation to pay the Advisory Fee in respect of the amount of each capital contribution will commence on the date of each closing. The calculation of the fees paid by each Investor will be described in detail in each Fund’s offering document.

The Advisory Fee will be payable quarterly in advance in an amount equal to 25% of the annual Advisory Fee rate per quarter. Each Investor’s Advisory Fee is deducted directly from the Investor’s capital account. DTA charges Advisory Fees only for the first year following the initial close of each Fund, after which no additional Advisory Fees are collected from the Funds or Investors. The respective Manager will make a capital call close in time to, and in amounts commensurate with, the Fund’s investments in the Company Securities. The Manager may elect to include in the capital call an additional amount necessary to fund payment of Fund expenses as outlined in each Fund’s offering document.

**Fund Expenses**

All costs and expenses incurred in the organization of each Fund and their respective offerings, including, without limitation, legal and accounting fees, expenses for printing and mailing, costs of regulatory compliance with securities laws and all other related miscellaneous costs and expenses shall be paid by each Fund. In addition, all ongoing expenses of each Fund shall (i) be borne by the respective Fund and paid out of or reimbursed from the Fund’s assets,

including expenses relating to ongoing legal, tax, and accounting advice; expenses incurred by the Fund in connection with the acquisition, holding, or disposition of any investment; routine administrative expenses of the Fund; preparation of the reports and notices; and accounting, insurance, litigation-related and indemnification expenses; and (ii) not exceed 0.50% of the total capital contributions of all Investors of the Fund as stated in each Fund's offering documents unless otherwise stated in the Funds' offering documents. These expenses shall be allocated among the Investors or series of interests of each Fund by the respective Manager in its discretion. Amounts so expended shall not be available for the purchase of the Company Securities. All general office overhead of the Funds, including rent, utilities, telecommunications, office furniture, equipment, computers and compensation of employees, fees of independent contractors to the Funds other than its attorneys, accountants and any third party administrator) and other Fund personnel shall be paid by the Firm or, if funds are advanced by a Fund for payment of such expenses, the amount of such funds so expended shall be reimbursed to the applicable Fund by the Firm out of the Advisory Fee.

#### Side Letters

The Funds from time to time enter into letter agreements or other similar agreements (collectively, "Side Letters") with one or more Investors that alter, modify or change the terms of the interests held by such Investors. Side Letters may provide such Investor(s) with additional and/or different rights (including, without limitation, with respect to the Carried Interest, Advisory Fee, informational rights and other rights) than the other Investors. The Fund is neither required to notify any or all of the other Investors of the existence of any such Side Letters or any of the rights and/or terms or provisions thereof, nor is the Fund required to offer such additional and/or different rights and/or terms to any or all of the other Investors.

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

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The Funds are entitled to allocate a portion of its investment profits to the respective Manager as a carried interest, subject to the terms and conditions set forth in the Funds' organizational documents. DTA II LLC, serving as Manager to a Fund, will not participate in any profits or losses until Investors have received distributions in an aggregate amount equal to 100% of such Investor's aggregate Capital Contributions. Compensation based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act") whereby the Investor must be a "Qualified Client", as defined therein.

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

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Investors in the Funds may include a variety of institutional Investors, family offices, and high net worth individuals. Each Investor will be a "qualified client", satisfying the Section 3(c)(1) exemption of The Investment Company Act of 1940, under which the Funds operate. Investors are required to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment.

The minimum initial investment in the Funds is set by the Managers and is typically \$100,000, however, lesser amounts may be accepted at the Managers' discretion.

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

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

The Firm targets a specific investment horizon and focuses on companies it believes have the potential to become standalone public entities. In order to make this assessment, the Firm

meets with management teams and conducts financial and operational due diligence. The Firm also conducts market research to understand sector-specific growth vectors and risks in addition to competitive analyses. DTA applies several valuation methodologies including but not limited to the exit multiple method and discounted cash flow (DCF) and considers the capital structure composition in making this assessment. Further, DTA engages with third-parties (other investors, current and prospective customers, operators and subject matter experts) to gain comfort over certain business dynamics in relation to prospective investments.

The Funds seek to raise funds through the sale of interests in the Funds in order to pursue its business objective of realizing gains from investments in Company Securities. Due to the limited nature of some offerings, not all Investors may be able to participate in every investment opportunity. Investing in a particular Fund does not guarantee access to future investment opportunities.

Each Fund invests in one company's securities. Company Securities are generally subject to various restrictions on transferability, either through provisions of its charter or bylaws or by contract. Such restrictions typically include a right of first refusal (a "ROFR") entitling the company (or its assignee) to purchase from a holder those securities that such holder wishes to sell or otherwise transfer. Pursuant to such a provision, prior to effecting a sale or other transfer of Company Securities, the seller would first be required to offer to sell such Company Securities to the company. The company would then for a designated period of time, have the option to elect to exercise its right to purchase the Company Securities on the same term as and conditions as the proposed sale to the identified buyer (or to assign such right to a third party). The Company Securities shall remain subject to any applicable ROFRs, co-sale, or other restrictions in any related agreements, bylaws and otherwise.

In addition to ROFRs, there is generally a lock-up provision by which the Fund would not be permitted to sell the Company Securities for a period of time following the effective date of any public offering or direct listing of Company Securities ("Liquidity Event"), unless such sale was consented to by the company and the lead underwriter for such offering. These ROFRs, lockups and similar agreements would limit the transferability of the Company Securities by the Fund. However, many such provisions expire pursuant to their terms within a set time following the completion of a Liquidity Event. While the company may be a viable candidate for a Liquidity Event, no assurance can be given that such Liquidity Event would ever occur, or would occur in the foreseeable future. Moreover, if the company does effect a Liquidity Event, there can be no assurance that it would be undertaken at a price in excess of the price or prices paid by the Fund to acquire the Company Securities. Accordingly, if the Fund disposes of the Company Securities following such a Liquidity Event, whether through distribution to Investors or otherwise, there can be no assurance that such disposition would not result in a loss to the Fund and to Investors. The likelihood of such a Liquidity Event may be negatively impacted by numerous factors, including, without limitation, the market performance of the securities of other similar sector companies that are currently becoming, or may subsequently become, publicly traded.

If a company is successful in effecting a Liquidity Event (of which there can be no assurance), subject to any applicable legal or contractual restrictions, the Fund may elect to distribute the Company Securities to Investors or to liquidate the Company Securities and distribute cash to Investors. DTA and the respective Manager will provide Investors the option to (i) sell their interest in the Company Securities and receive cash, or (ii) receive in-kind distributions of Company Securities acquired by the Fund as soon as such disposition is permitted by all applicable legal and contractual restrictions. DTA and the respective Manager have the sole right to alter this distribution strategy at any time. Even if the Fund elects to distribute Company Securities in kind, to the extent that cash reserves on hand at the time are not

sufficient to meet all then-current and anticipated Fund expenses, the Fund may need to sell a portion of the Company Securities to fund such expenses, including any costs of the disposition of the Company Securities.

### **Risk of Loss Factors**

Investing in the Fund involves various risks, including loss of capital, which Investors should be prepared to bear. Prospective investors are urged to consult their professional advisers and review the legal documents and offering for the Funds before deciding to invest in the Funds. Prospective investors should also be aware that DTA and/or the Manager from time to time enter into side letter arrangements which allow one or more Investors to have additional or different rights including, but not limited to, fee arrangements, withdrawal schedules, and informational rights than other Investors.

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds.

### No Assurance of Achievement of Investment Objectives

There can be no assurance that the Funds will be successful in receiving a company's approval to conduct purchases of Company Securities through ROFR assignments, planned share purchase programs or otherwise. Likewise, there can be no assurance that the Funds will succeed in purchasing any Company Securities and/or selling any Company Securities at advantageous prices or that any investment by the Funds in Company Securities will prove to be profitable. Competition in acquiring Company Securities has increased the purchase price for such securities and such prices may continue to rise. Other potential purchasers may have considerably greater resources than the Funds to deploy in purchasing Company Securities, which may make them more attractive to the company in assigning ROFRs or participating in organized purchase programs.

### Concentration of Investment

Each Fund will only make investments in one company's securities. Accordingly, each Fund's performance will be wholly dependent upon the company being able to effect a Liquidity Event at a valuation in excess of the prices at which the Fund acquired the Company Securities. The value of an investment in a Fund will be subject to greater volatility and may be more susceptible to any single economic, political or regulatory occurrence (either directly related to the company or having an indirect effect on the company) than would be the case if the Fund's investments were diversified.

### Unavailability of Sufficient Information to Value Company Securities or Predict Future Valuations

The companies are privately held companies and as such, do not report their financial condition or any other aspect of their business and operations to the public. The Funds may receive limited company information, but such company information may be insufficient to enable the Firm to accurately evaluate or justify the current or future valuation of the company. Accordingly, pricing on the Fund's acquisition of the Company Securities will be determined by and large by the prices that other potential purchasers are willing to pay. There is currently a limited, negotiated market for a privately-held company's securities. Prices for purchases and sales of such securities may have little or no correlation to a company's sales, profits or other recognized indicia of value. In the event that a company does effect a Liquidity Event, there can be no assurance that the value of the Company Securities will be in excess of the private market valuations at which the Fund purchased the Company Securities.

Limited Liquidity of Company Securities; No Assurance of an IPO or other Liquidity Event

Privately held Company Securities are not registered under the Securities Act and are not required to and do not file periodic reports with the SEC under the Securities Exchange Act of 1934 (the “1934 Act”). The Company Securities that the Funds will seek to obtain are “restricted securities” under federal and state securities laws and regulations. Unless Company Securities are registered with the SEC and any required state authorities, or an appropriate exemption from registration is available, the Funds (or any Investors who receive Company Securities in a distribution by the Fund) may be unable to liquidate such Company Securities. Resale of Company Securities by the Funds or such Investors will be subject to limitations under the Securities Act and the Funds and/or Investors intending to sell Company Securities may be required to aggregate their sales of Company Securities with sales made by other Investors for some period of time following the distribution of such securities by the Funds. Therefore, prospective investors who require liquidity in their investments should not invest in the Funds or anticipate that there will be liquidity in any investment in a company’s securities.

No public market currently exists for the Company Securities sought by the Funds and no assurance can be given that a Liquidity Event will be consummated by the companies in the future.

Reliance on the Managers and DTA

The Managers shall have sole power over the management and operations of the respective Funds. The Firm shall have authority over the acquisitions and dispositions of the Company Securities. All decisions with respect to the management of the Funds shall be made by the Managers or DTA, and Investors shall have no right to take part in the management of the Funds. All rights, preferences, privileges and restrictions with respect to Company Securities shall belong to the Funds and be the sole responsibility of the Managers and DTA. Investors shall have no ability to make any decisions with respect thereto. No Investor shall have the right to either vote or dispose of any of the Company Securities owned by the Funds. The determination to make distributions, whether in cash, in kind or a combination thereof shall be made at the sole discretion of the Managers and DTA, even if the Company Securities have been registered for resale under the Securities Act. In addition, no Investor shall have the right to withdraw all or any amount of its investment in the Fund (either in cash or in the form of the Company Securities) at any time without the prior written consent of the respective Manager, which consent may be withheld by the Manager in its sole discretion for any reason or for no reason. Accordingly, no party should make any investment in the Funds unless such party is willing to entrust all aspects of the Funds’ management to the Manager and all matters relative to the Funds’ investment in Company Securities, to the Firm. Moreover, the Managers and DTA shall be controlled by DTA Master, LLC, a multi-member limited liability company controlled by Alexander J. Davis. Accordingly, through his control of DTA Master, LLC, Mr. Davis shall have sole management authority over the Manager and DTA and, by extension, the Funds. No party should make any investment in the Funds unless such party is willing to entrust all aspects of the Funds’ management to Mr. Davis. If the Funds elect to acquire entities or interests that hold the Company Securities, the ability of the Funds to control investment decisions over the Company Securities may be limited or non-existent.

Cybersecurity Threats

DTA, the Managers, the Funds’ service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could



adversely affect the Funds and their Investors, despite the efforts of the Managers and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and its Investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of DTA's, the Managers', the Funds' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of DTA's or the Managers' systems to disclose sensitive information in order to gain access to DTA's or the Managers' data or that of the Funds' Investors. A successful penetration or circumvention of the security of DTA's or the Managers' systems could result in the loss or theft of an Investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the Managers, DTA or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, the Managers or DTA may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse Investor reaction or litigation. Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

#### Business Continuity and Disaster Recovery

DTA's business operations could become vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics (as further detailed below), terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although DTA has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies are planned for. If such business operations are disrupted or suspended for extended periods of time, the Clients may be adversely affected.

#### Coronavirus Outbreak Risks

The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has contributed, and is expected to continue to contribute, to market volatility. It is also likely to lead to an economic slowdown given the disruption to supply chains across sectors and industries worldwide, which may materially and adversely affect the Funds. Since COVID-19 is present in jurisdictions in which DTA conducts business, it could affect the ability of DTA to operate effectively, including the ability of personnel to function, communicate and travel to the extent necessary to carry out the Funds' investment strategies and objectives. In addition, DTA's personnel and personnel of critical service providers to DTA or the Funds may be directly impacted by the spread of COVID-19, both through direct exposure and exposure to family members, which could impact DTA's ability to satisfy its obligations to the Funds, their investors, and pursuant to applicable law. The spread of COVID-19 among DTA personnel has the potential to significantly affect DTA's ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management).

**Item 9: Disciplinary Information**

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DTA is involved with an ongoing litigation at this time. Additional information about this action is available upon request.

Since the Firm's inception in 2012, neither the Firm nor any of its management persons have been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction.

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

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Disruptive Securities, LLC ("Disruptive Securities"), an affiliate of the Firm, is a FINRA-registered broker-dealer. Disruptive Securities acts as an investment bank and provides private placements and mergers and acquisitions advisory services that may involve the Funds or holdings of the Funds. Disruptive Securities is compensated for the provision of such services in the form of placement fees. Such placement fees may vary depending on factors including, but not limited to, the issuer, securities involved, and timing of such services provided. However, the Firm strives to ensure that such compensation is commensurate with that of other firms providing similar services, and that no Funds are disadvantaged by the selection of Disruptive Securities as a broker-dealer for the Funds.

Disruptive Acquisition Corporation I, an affiliate of the Investment Adviser, is a special purpose acquisition company ("SPAC"), which is a blank check company incorporated as a Cayman Islands exempted company (the "Affiliated SPAC") and formed for the purpose of effecting a merger, share exchange, asset acquisition, share repurchase, reorganization or similar business combination with one or more businesses. The SPAC's sponsor and management include certain of DTA's principals and employees that stand to benefit from their direct and/or indirect ownership in the SPAC and, accordingly, may have a conflict of interest in determining whether a particular target business is an appropriate business with which to effectuate a business combination.

As noted in Item 4 above, DTA II LLC and DTA Liquidity Fund I GP, LLC, affiliates of the Investment Adviser, are the Managers of the Funds.

In addition, Mr. Davis is a registered representative of both Disruptive Securities, LLC and SF Sentry Securities, Inc. Mr. Davis may, in such capacity, participate in brokering purchases and sales of Company Securities and may receive compensation in connection with such transactions. It is contemplated that, in certain circumstances, Investors of the Funds or other Investors may wish to co-invest with the Funds in connection with opportunities to acquire Company Securities. Mr. Davis may receive compensation related to such out-of-Fund investments.

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

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**Code of Ethics**

DTA has adopted a Code of Ethics for the Firm describing its high standard of business conduct and fiduciary duty to its Investors. The interests of the Funds must always be recognized, respected, and have precedence over DTA and its employees. The Code requires that DTA employees and certain associated persons act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to the extent reasonably possible, and identify and manage conflicts of

interest to the extent they arise. DTA employees are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by DTA or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of DTA's personnel (see below). The Code also addresses (i) policies and procedures concerning the prevention of insider trading; (ii) restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items; and (iii) addresses the pre-clearance and reporting of political contributions and outside business activities. All DTA employees must periodically attest to the terms of the Code of Ethics.

As a fiduciary, DTA owes an undivided duty of loyalty to and will act in the best interest of the Funds and Investors. It is the Firm's policy that all employees conduct themselves so as to avoid not only actual conflicts of interest with Fund Investors, but also so they refrain from conduct which could give rise to the appearance of a conflict of interest that may compromise the trust Investors have placed in DTA and its employees.

DTA's Code of Ethics is available to Investors upon request.

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

DTA serves as the investment adviser to the Funds. Employees, affiliates of the employees, and relatives of the employees may make investments in the Funds.

DTA, its affiliates and employees have a financial interest in the Funds through a carried interest and/or a direct investment interest. As such, DTA could be considered to have recommended to Investors that they buy or sell securities or investments in which DTA or a related person has some financial interest. However, DTA and its affiliates and employees act in the best interest of the Funds and Investors and any such material conflicts that arise will be adequately disclosed.

### ***Personal Trading***

DTA has implemented a structured employee investment policy with pre-approval for certain investments or trades made by employees and periodic reporting requirements. The Firm will only approve such trade requests so long as the transaction does not harm or disadvantage the Funds or Investors.

## **Item 12: Brokerage Practices**

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As an adviser to a private equity fund, DTA does not generally make investments in securities listed on national exchanges. If there were a situation where DTA would place a trade(s) through a broker, DTA would seek "best execution" and take all reasonable steps to obtain the best possible result, taking in to account broker's reputation, net price or spread, financial strength and stability, market access, efficiency of execution and error resolution, and the size of the transaction. DTA would not be obligated to obtain the lowest commission or best net price for the Fund on any particular transaction. In addition, if the private Company Securities that the Funds invest in become publicly listed, the Funds may utilize broker-dealers in exiting their investments.

At this time, DTA does not engage in "soft dollar" arrangements with broker-dealers; does not typically consider referrals when selecting or recommending a broker-dealer; and does not typically engage in directed brokerage. In addition, as each Fund invests in only one company's securities, DTA does not typically aggregate the purchase or sale of securities for multiple Funds. From time to time, when more than one Fund invests in the same security,

DTA may aggregate the sale of securities held among those Funds to achieve more efficient execution. DTA will allocate the trade proceeds on a pro-rata basis among Fund investors.

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**Item 13: Review of Accounts**

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**Review of Accounts**

The CEO or his delegate will review the Funds on a continual basis to assure conformity with investment objectives and guidelines.

**Client Reports**

Investors will receive interim reports during the course of each fiscal year as deemed appropriate, which may contain (a) quarterly unaudited financial statements; (b) a statement as to the estimated value of the Fund's Investments; (c) a report containing an overview of the Fund's portfolio; and (d) annual tax information necessary for the completion of U.S. federal, state and local income tax returns.

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

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DTA does not receive economic benefit for providing investment advice or other services to the Funds other than the fees payable to the Firm as described in the offering memorandum of each Fund.

DTA has entered into third party marketing arrangements with respect to the sale of interests in certain of the Funds. Such third party placement agents are typically compensated with a portion of the Advisory Fee payable with respect to the relevant Fund. Investors will not incur additional fees as a result of these arrangements.

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**Item 15: Custody**

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The SEC takes the position that typically advisers or general partners to pooled investment vehicles are deemed to have custody with respect to the assets of such vehicles. In order to comply with the Custody Rule, the Firm will undergo a surprise examination by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board.

In accordance with the Custody Rule, a qualified custodian will not be required to deliver quarterly account statements to the Funds or their investors as long as (a) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (b) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (c) annual audited financial statements are delivered to each Fund's investors within 120 days after the end of the applicable Fund's fiscal year.

Moving forward, DTA intends to audit the Funds and provide copies of the audited financials to the underlying investors within 120 days of the Fund's fiscal year end.

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**Item 16: Investment Discretion**

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Subject to any investment restrictions set forth in the PPM of the Funds, DTA has discretionary authority to make the following determinations without obtaining the consent of the Funds or Investors before the transactions are effected:

- the investments that are to be bought or sold;
- the total amount of the investment to be bought or sold;
- the brokers, investment banks or placement agents through which securities are to be bought or sold; and
- the commissions, fees or other rates at which transactions for the Funds are effected.

DTA's discretionary authority is derived from its authority as the adviser of the Funds and pursuant to an investment advisory agreement entered into by DTA or the respective Manager.

At this time, all assets are managed on a discretionary basis.

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**Item 17: Voting Client Securities**

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The Funds typically will not obtain representation on the board of directors and the success of its investment will depend on the ability and success of the management of the companies, in addition to economic and market factors.

In the event that the Firm is presented with an opportunity to vote a proxy, the Firm's general policy is to vote proxies in accordance with the best interests of the Funds. The Firm generally intends to vote proxies in line with company management. However, under certain circumstances when the Firm believes that company management's proposal will not maximize value for the Funds, the Firm intends to vote against company management's recommendations. Information regarding the Firm's voted proxies as well as the Firm's proxy voting policies and procedures are available upon request.

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**Item 18: Financial Information**

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DTA is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its Funds and the Investors.