

ITEM 1 – COVER PAGE

PART 2A OF FORM ADV

FIRM BROCHURE



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March 30, 2023

This brochure (the “Brochure”) provides information about the qualifications and business practices of Deep Field Asset Management (“DFAM”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this Brochure, please contact DFAM’s Chief Compliance Officer, Mark Streffling, at 310-456-1000 and/or by email at info@deepfieldam.com. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about DFAM is also available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

DFAM's last annual update was submitted on March 31, 2022. This Brochure has been updated to reflect the following material changes:

- Item 4: Updates to DFAM's regulatory assets under management.
- Item 5: Updates to advisory fees for separate account clients in the event that DFAM's determines to provide advisory services to separate accounts.
- Item 10: Updates to Other Financial Industry Activities and Affiliations to disclose relationship with MonCap Holdings, LLC.

DFAM encourages each client or potential client/investor to read the Brochure carefully and to call with any questions at the number provided on the Item 1- Cover Page.

Pursuant to SEC regulations, DFAM will ensure that clients and investors receive a summary of any material changes to this Brochure within 120 days of the end of DFAM's fiscal year, along with a copy of this Brochure or an offer to provide the Brochure.

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ITEM 4 – ADVISORY BUSINESS

A. Description of Advisory Firm

Deep Field Asset Management, a Delaware limited liability company (“DFAM”), was organized in September 2014 and is managed and controlled by Jordan Moelis. Mr. Moelis is the Founder, Managing Partner, and principal owner of DFAM. Prior to its effective registration with the SEC, DFAM operated as an exempt reporting adviser under the Investment Advisers Act of 1940 (“Advisers Act”) Rule 203(m)-1.

Through the appropriate investment agreements or contracts, DFAM has exclusive control over the management and operation of certain pooled-investment vehicles (“Fund(s)”), including authority to manage investments, admit and expel investors, and terminate a Fund. DFAM, in its discretion, may retain one or more sub-advisers to manage any or all of a Fund’s investments, provided that any fees payable to any such sub-adviser are payable by DFAM or its affiliates. The Fund investors will not participate to any extent in the management of a Fund.

In addition to the Funds, DFAM may also provide discretionary portfolio management services to separate account clients as further detailed throughout the Brochure (together with the Fund(s), “Clients”).

B. Types of Advisory Services

Pooled Investment Vehicle Management

DFAM provides advice to pooled-investment vehicles based on the investment objectives and strategies outlined in each Fund’s confidential offering memorandum (the “Memorandum”), and pursuant to the terms in each Fund’s Limited Partnership Agreement or applicable operating documents (“Governing Documents”). DFAM currently advises the Funds identified within Form ADV Part 1A, Section 7.B(1), and may provide advice to other Funds or separately managed accounts in the future. DFAM or a related affiliate acts as the “General Partner” or Investment Manager to its Funds.

DFAM is authorized to carry out investments on behalf of the Funds in a variety of sectors and through transactions that it deems appropriate under the terms of the relevant Memorandum and Governing Documents, including but not limited to public equities and credit securities, swaps, options, other derivatives, rights, warrants, private securities, non-U.S. securities, bonds, notes, bills, participating and convertible debt instruments, and ETFs. DFAM directs short selling and hedging transactions on behalf of the Funds and may direct the Funds to engage in margin trading and other investment strategies as outlined in the applicable Memorandum. An investment in a pooled-investment vehicle does not, in and of itself, create a client-adviser relationship between any underlying investor in the Fund (an “Investor”) and DFAM.

Shares or interests in the DFAM Funds are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Fund is not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests or shares in the DFAM Funds are offered and sold exclusively to prospective Investors satisfying applicable eligibility and suitability requirements as outlined in the relevant Governing Documents.

Separate Account Management

DFAM may provide investment management for separate account clients. Investment management services include the provision of portfolio recommendations, with potential industry specific focuses and individually negotiated mandate between DFAM and the separate account clients. DFAM will exercise discretionary authority to carry out the agreed upon investment strategies with a long-term, controlled-risk perspective and disciplined approach.

C. Client Objectives and Restrictions

DFAM has wide latitude to act upon any investment strategy of the Funds or to change any investment strategy to achieve the investment objective of the Funds without obtaining the consent of the Investors. Prospective Investors should carefully read the Fund's Memorandum and Governing Documents and consult with their own counsel and advisers as to all matters concerning an investment in the Fund.

DFAM has the authority to extend certain rights and privileges to certain Investors which are not available to other Investors (including without limitation, transparency rights, reporting rights, capacity rights, approval rights and certain other protections and the right to receive certain special allocations) and may, in its discretion, elect to accommodate certain investment restrictions applicable to certain Investors due to legal, regulatory or tax considerations. Typically, such rights, privileges or accommodations will be contained within side letters which are negotiated prior to an investment in a Fund.

Separate account clients will coordinate the individualized investment strategies with DFAM upon inception of the advisory relationship, governed by the applicable Investment Management Agreement or equivalent contract. Individually negotiated strategies will allow for a wider variety of separate account client restrictions or limitations. Notwithstanding, such separate account arrangements would generally afford DFAM generous flexibility when it comes to managing the portfolio.

D. Wrap Fee Program

DFAM does not participate in wrap fee programs.

E. Regulatory Assets Under Management

As of December 31, 2022, DFAM managed the following in regulatory assets under management:

- Discretionary: \$154,328,472
- Non-Discretionary: \$0

ITEM 5 – FEES AND COMPENSATION

A. Advisory Fees and Compensation

Management Fees

- Pooled Investment Vehicles: With the exclusion of Deep Field Fermi Fund, LLC (“Fermi”), DFAM receives a management fee (the “Management Fee”) from the applicable Fund on the first day of each quarter in advance equal to 0.375% (approximately 1.50% on an annual basis) of each Investor’s total capital account balance as of the first day of such quarter. The Management Fee is normally paid by deduction from an Investor’s capital account. The Management Fee is prorated for interests held for less than a full quarter. Management Fees can vary amongst Fund share classes and any other future Fund, as outlined within the applicable Governing Documents.
- In the case of Fermi, DFAM typically receives a one-time Management Fee of 1% of the initial investment at the time of investment. The Management Fee is normally paid by deduction from an Investor’s capital account.

It is critical that Investors refer to the relevant Governing Documents for a complete understanding of fees and expenses they will bear through participation in a DFAM Fund. The information contained herein is a summary only and is qualified in its entirety by such documents.

- Separate Accounts: Separate account clients will generally charged Management Fees based on the amount of assets managed by DFAM, subject to the terms of the relevant Investment Management Agreement. Management Fees can be individually negotiated with DFAM. The Management Fee is normally paid by deduction from a separate account client’s account. Separate account clients will be responsible for payment of their prorated fees through the date of termination and refunded to the extent any such fees are paid in advance.

Performance-Based Allocation and Fees

Typically, for Funds that pursue a Public Equities Strategy, on December 31 of each year, Funds allocate to the General Partner a performance-based allocation or fee (the “Performance Fee”) equal to 20% of the appreciation of the Investor’s capital account during the year. The Performance Fee is made only if, and to the extent that, the net capital appreciation of a Limited Partner’s capital account for the year exceeds any net capital depreciation in the capital account (reduced *pro rata* for any withdrawals) accumulated in prior years (i.e., a “high water mark”).

DFAM can be allocated Performance Fees with regard to unrealized appreciation as well as realized gains in the Investor’s capital accounts, with the exception that Performance Fees are not recognized with respect to Special Securities (discussed below) until such time as they are no longer designated Special Securities. If an Investor withdraws all or a portion of its capital account on a date other than December 31, the Performance Fees will be charged on the amount withdrawn for the period from the prior January 1 to the date of withdrawal and any unearned Management Fee will be refunded to the Investor.

For Funds that pursue a Private Equity or other strategy, DFAM is allocated a performance-based allocation (“Carried Interest”) based upon the cash, securities and other property (“Investment Proceeds”) distributed to the members of the Fund. Typically, Investment Proceeds are first distributed to members based upon their aggregate capital contributions. Second, Investment Proceeds are distributed to members until each member has received a prescribed internal rate of return per annum, compounded annually. Then, typically, the remaining Investment Proceeds are distributed subject to a waterfall as provided in a Fund’s offering or other organizational documents.

Separate account clients may be charged an annual Performance Fee based on the capital appreciation of the separate account client's account during the year Subject to the terms of the relevant Investment Management Agreement, Performance Fees can be individually negotiated between DFAM and the separate account client.

Advisory Fee Adjustments

DFAM has the authority to waive some or all of the Management Fee and Performance Fees borne by any Client or Investor in its sole discretion. DFAM can also on occasion pay or redirect a portion of its Management Fee and/or Performance Fee attributable to a Client or Investor's interest to persons who have introduced such Client or Investor.

Adjustments to the advisory fees charged to separate account clients must be individually negotiated between them and DFAM.

Management Fee and Performance Allocation on Special Securities in the Funds

For certain Funds, DFAM will receive a Management Fee with respect to Special Securities (as defined within the Fund's Governing Documents). If, after giving effect to a withdrawal, a Limited Partner only has an interest in Special Securities, the Management Fees with respect to such Special Securities will be assessed against holdbacks, reserves or proceeds from any realization or deemed realization of the Special Securities.

DFAM will receive a Performance Fee with respect to Special Securities of the Funds, although DFAM will not receive a Performance Fee with respect to a Special Security until such Special Security has been liquidated, distributed in kind or DFAM determines that it will no longer be characterized as a Special Security.

B. Payment of Advisory Fees

As described above, with the exclusion of Fermi, Fund Management Fees are charged quarterly, in advance of the calendar quarter. For Fermi, Management Fees are charged once at the time of investment. The Performance Fees are charged on an annual basis, subject to a high-water mark. Any potential adjustments, reductions, or prorations of such advisory fees are outlined within the applicable Governing Documents. Certain affiliated persons of DFAM are generally not subject to such advisory fees.

Separate account Management Fees are charged quarterly, in advance of the calendar quarter. The Performance Fees are charged on an annual basis. Any potential adjustments, reductions, or prorations of such advisory fees are outlined within the applicable Investment Management Agreement.

DFAM believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

C. Other Advisory Client Fees and Expenses

DFAM Funds will generally bear all expenses of its organization and operation which DFAM deems necessary or appropriate. Expenses generally include: (a) brokerage and execution charges, commissions, custodial charges, and fees for quotation and other data services; (b) fees related to accounting, trading, portfolio management and risk management systems; (c) research subscriptions and expenses; (d) travel, legal and consulting fees related to investment research and due diligence; (e) broken trade and broken deal fees; (f) expenses to register securities and transfer taxes; (g) costs and expenses incurred for the purpose of protecting and enhancing the value of the Fund's assets (including the costs of instituting and defending litigation); (h) U.S. federal, state and local taxes, filing and registration fees of the Fund, DFAM and its

Affiliates (other than taxes on the income of DFAM and its Affiliates); (i) all costs, fees and expenses relating to Investor communications, relations, bookkeeping, accounting and the preparation and mailing of financial, tax and performance information to Investors including an allocable share of DFAM's costs, fees and expenses relating to internal accounting and tax preparation functions should the Fund determine not to use third party providers for such services; (j) fees, costs and expenses incurred in connection with borrowings; (k) administration fees, costs and expenses; (l) premiums and other costs of D&O/E&O and other insurance; (m) all regulatory and compliance fees, costs, and expenses incurred in complying with regulatory requirements that directly result from management of the Fund (including expenses incurred in complying with FATCA and preparing Form PF), including an allocable share of DFAM's costs, fees and expenses relating to internal regulatory and compliance functions should the Fund determine not to use third party providers for such services; and (n) fees for attorneys, accountants, consultants and other professionals or experts (including the fees and expenses for counsel to DFAM or one or more of its respective officers or managers) arising in connection with the Fund's business.

For separate account clients, investments recommended by DFAM are placed through an institutional brokerage account with an independent custodian where client assets are held in custody. Depending on the independent custodian, the custodian may charge commissions on the purchase and sale of stocks, ETFs, REITs, and bonds, and transaction fees on the purchase and sale of non-commissioned (no-load) mutual funds and interval funds. Neither DFAM, nor any of its owners, are affiliated with these brokerage firms nor share in any of the fees charged by custodians. See Items 12 for further information. DFAM's advisory fees are separate and distinct from the costs and expenses charged or associated with the custodian or investment transactions. DFAM advisory fees are separate from any custodial fees. DFAM will also individually negotiate for specific expenses to be borne by separate account clients on a case by case basis, the terms of such are outlined within the relevant Investment Management Agreement.

D. Advance Payment of Fees

See Item 5.B.

E. Access Persons Compensation for Sale of Securities

Not applicable to DFAM.

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

As discussed in Item 5, DFAM will receive Performance Fees from DFAM Clients. The existence of Performance Fees can create an incentive for DFAM to make investments on behalf of Clients that are riskier or more speculative than would otherwise be the case. Further, DFAM can be allocated Performance Fees with regard to unrealized appreciation as well as realized gains in an Investor's capital accounts, except with respect to Special Securities. DFAM can be allocated Performance Fees only upon the disposition of such Special Securities.

Since Management Fees and Performance Fees received by the DFAM are based on the net asset value of a Client, a conflict may also arise when DFAM or a related person is valuing the assets held by the Client. Assets will generally be valued at fair value by DFAM or its related person in accordance with U.S. generally accepted accounting practices. DFAM has established policies and procedures to address such conflicts to ensure that all Clients are treated fairly and equitably, regardless of any Performance Fee arrangements.

ITEM 7 – TYPES OF CLIENTS

DFAM provides investment advisory services to private pooled-investment vehicles intended for sophisticated investors and institutional investors. Investors admitted into a Fund must also meet certain eligibility requirements which generally require qualifying as an “accredited investor” as defined in Rule 501 under Regulation D under the Securities Act, as amended, and a “qualified client” as set forth in Rule 205-3 under the Advisers Act. Investors also need to meet additional requirements set forth in the subscription agreements for a relevant Fund.

Initial and additional subscription minimums are outlined within each Fund’s Governing Documents.

DFAM offers investment advisory services to separate account clients that could include individuals, trusts, foundations, endowments, charitable organizations, corporations or other businesses, pensions, and profit sharing plans. As a minimum for providing financial services, DFAM generally requires that separate account clients offer \$10,000,000 in investable assets, though DFAM will make exceptions depending on the facts and circumstances.

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

A. Methods of Analysis, Investment Objective and Strategy

Public Equity Strategies

For Funds that pursue public equity strategies, the investment objectives are to seek superior risk-adjusted long-term capital appreciation, generated through a concentrated, value portfolio. These Funds invest primarily in public equity securities and may also at times invest in credit securities, private investments and other types of securities.

DFAM attempts to identify investment opportunities in which securities prices diverge from intrinsic value. Valuation is determined using a variety of analytical frameworks, including current and future earnings and free cash flow yield, discounted cash flow, public market comparables, private market transactions, leveraged buyout, sum-of-the-parts, debt serviceability, bankruptcy recovery and liquidation value. DFAM seeks investments with discrepancies between reality and market perception, including complex, uncertain, misunderstood, underappreciated and undiscovered situations, focusing on what DFAM believes to be sizeable margins of safety and asymmetrically favorable risk-reward profiles.

DFAM attempts to develop differentiated views on investment opportunities based on rigorous and in-depth research and analysis, along with a long-term outlook. A comprehensive approach to analyzing potential investments focuses on qualitative and quantitative factors, including but not limited to: the quality, predictability and growth of revenue, earnings and cash flows; the quality of the company's management, capital allocation and corporate governance; the company's market position relative to its principal competitors; the company's relationship with key stakeholders; the company's products and product cycles; the company's attractiveness to potential acquirors; the company's assets and liabilities; the company's unit economics and returns on capital; and the valuation of the company. Research draws on prior investment experience and industry expertise but is additionally generated through meetings and conversations with company management; conference and trade show attendance; primary channel checks, surveys and studies; interactions with independent research analysts and organizations; market screens; diverse reading material; and communications with DFAM's extensive network of contacts within the global business community.

The Funds also may actively engage in short sales of securities. To identify candidates for short sales, DFAM focuses on: low-quality companies and flawed business models; companies adversely affected by structural or competitive changes in their respective industries or geographies; companies with deteriorating margins, cash flows and balance sheet metrics; companies in which excessive leverage might trigger a liquidity crisis or bankruptcy; companies whose products and/or services are tied to fads and/or other unsustainable market conditions; companies where fraud and accounting irregularities exist that upon being revealed would cause a steep decline in the price of a company's securities, companies whose trading valuations are supported by unrealistic expectations of operating performance with a high likelihood of significant estimate reductions, and, occasionally, hedge against market risks inherent in the long portfolio.

The Funds are typically authorized to buy securities on margin and may arrange with banks, brokers and other financial institutions to borrow money against a pledge of securities in order to employ leverage in such amounts as DFAM deems prudent. The Funds may employ leverage within the parameters of Regulation T of the United States Federal Reserve Board's margin rules (i.e., under Reg T, a customer must deposit cash or eligible securities equal to at least 50% of the purchase price of the securities it purchases, and the balance of the purchase price is then lent to the customer). As further discussed below, DFAM does not currently anticipate utilizing significant leverage (i.e., in excess of 120% of net assets) for sustained periods.

While it is anticipated that the Funds will invest primarily in global publicly-traded equities, REITs and related securities, including in emerging markets, particularly in the consumer and retail, technology, media and telecommunications, and other services sectors, the Funds maintain broad and flexible investment authority. In order to maintain flexibility and to capitalize on investment opportunities as they arise, the Funds are not required to invest any particular percentage of their portfolio in any type of investment, region or sector and the amount of a Fund's portfolio that is invested in any type of investment, that is long or short, or that is weighted in different regions or different sectors may change at any time based on the availability of attractive market opportunities.

Private Equity and Other Strategies

Funds that focus on private equity or other investment strategies, such as Fermi, are organized for the purpose of investing in unique, single-name investment opportunities. Private opportunities typically offer less liquidity and longer investment durations. Our goal in private equity and other strategies is to take advantage of opportunities we identify during the course of our work which are not appropriate for the Public Equity strategy. These provide an opportunity for long-term capital appreciation through innovation, product development, capital investment, management strategy, and other opportunities.

Separate Account Clients

Separate account clients will pursue strategies that are similar to those identified above, as well as specifically tailored strategies that will be mutually agreed upon by DFAM and the separate account client. In the event such strategies are further tailored for a Client, DFAM will work ensure such strategies are suitable for the specific investment risk tolerance and goals of the separate account client. In those instances, the investment objectives and approaches utilized will materially differ from what is described above.

There can be no assurance that any DFAM Client will achieve its investment objectives.

B. Risk of Loss

Concentrated Portfolio

Clients will have relatively concentrated portfolios and not be diversified among a wide range of issuers, industries, geographic areas, capitalizations or types of securities and may have relatively significant, concentrated positions. As a result, investment portfolios could be subject to more rapid changes in value than would be the case if the portfolios were required to maintain a wide diversification among issuers, industries, geographic areas, capitalizations or types of securities.

Short Sales

Clients may engage in short selling. Short selling, or the sale of securities not owned by Clients, necessarily involves certain additional risks. Such transactions expose Clients to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Clients in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein Clients might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Small-to-Medium Capitalization Companies

Clients may invest a portion of the portfolio assets in the securities of companies with small-to-medium-sized market capitalizations. Securities of smaller-capitalization companies involve higher risks in some

respects than do securities of larger companies. For example, prices of such securities are often more volatile than those of large-capitalization companies. In addition, due to thin trading in some such securities, an investment in these securities may be more illiquid than those of larger capitalization companies.

Activist Investing

There can be no assurance that the management of any company in which Clients invest in will agree or acquiesce to DFAM's involvement in the affairs of the company, or that the strategies that DFAM hopes to implement will be effective. Portfolio companies may be hostile to DFAM's activities and may respond to DFAM's proposals by litigation or other defensive measures. Such measures may adversely affect the value of the Client's investment and may result in high transaction expenses, particularly if DFAM resorts to measures to protect the value of the Client's investment that involve litigation or shareholder governance activities.

Non-United States Securities

Clients may invest in securities outside of the United States. Investing in securities of foreign governments and companies that are generally denominated in currencies other than the United States dollar, and utilization of foreign currency forward contracts and options on foreign currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Emerging Markets Regulatory and Legal Risks

Clients may invest in emerging markets. In emerging markets, there may be less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in other more established countries. Whatever supervision is in place may be subject to manipulation or control. While many emerging market countries have mature legal systems comparable to those of more developed countries, others do not. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Clients may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-United States courts.

Currency Risks

Client investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

High Yield Securities

Clients may invest in "high yield" bonds and preferred securities that are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Distressed Investments

Clients may invest in debt and equity securities, accounts and notes payable, loans, private claims and other financial instruments and obligations of troubled companies that may result in significant returns to the Fund, but which involve a substantial degree of risk. Clients may lose their entire investment in a troubled company, may be required to accept cash or securities with a value less than the Client's investment and may be prohibited from exercising certain rights with respect to such investment. Troubled company investments may not show any returns for a considerable period of time. Funding a plan of reorganization involves additional risks, including risks associated with equity ownership in the reorganized entity. Troubled company investments may be adversely affected by state and United States Federal Laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the Bankruptcy Court's discretionary power to disallow, subordinate or disenfranchise particular claims. Investments in securities and private claims of troubled companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may also involve substantial litigation.

Clients may have significant investments in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Client of the security, or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, Clients may be required to sell investments at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which Clients may invest, there is a potential risk of loss of the entire investment in such companies.

Lack of Liquidity of Fund Assets

Fund assets may, at any given time, be invested in non-publicly traded securities and private instruments for which the number of potential purchasers and sellers, if any, is very limited. Fund assets may also, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value accurately any such investments.

Funds also may take positions in particular securities that are relatively large as compared to trading volumes or overall market capitalization. This factor may have the effect of limiting the availability of these securities for purchase by the Fund and may also limit the ability of the Fund to sell such securities at their fair value or in response to changes in the economy or financial markets. Due to securities regulations governing certain publicly-traded equity securities, that ability could also be diminished with respect to

equity holdings that represent a significant portion of the issuer's voting securities (particularly if Funds have designated one or more directors).

Special Securities and Restricted Securities of Public Companies

As noted above, the Funds may invest in Special Securities, which may include private securities and restricted securities of public companies. Investments in the private securities of companies at various stages in their development, and in restricted securities of public companies, involve a high degree of business and financial risk. Private companies with limited operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, better marketing and service capabilities and a larger number of qualified management and technical personnel. Such risks may adversely affect the performance of such investments and result in substantial losses. Although DFAM may seek protective provisions in connection with certain of its private investments, to the extent the Funds take minority positions in companies in which it invests, DFAM may not be in a position to exercise control over the management of such companies, and, accordingly, may have a limited ability to protect its position in such companies. The use of leverage by private companies may increase the exposure of such companies to adverse economic factors such as downturns in the economy or deterioration in the conditions of such companies or their respective industries. In the event any such company cannot generate adequate cash flow to meet debt service or operating expenses, the Fund may suffer a partial or total loss of capital invested in the company, which, depending on the size of the Fund's investments, could adversely affect the return on the capital of the Fund.

Valuation

Clients may have significant investments in restricted securities of public companies. These investments may be extremely difficult to value accurately. In the case of the Funds, there is a risk that a Limited Partner who redeems all or part of its interests or shares while a Fund holds such restricted securities of public companies will be paid an amount less than it would otherwise be paid if the actual value of such securities is higher than the value designated by DFAM. Similarly, there is a risk that such a Limited Partner might, in effect, be overpaid if the actual value of such securities is lower than the value designated by DFAM. In addition, there is a risk that an investment in the Fund by a new Limited Partner (or an additional investment by an existing Limited Partner) could excessively dilute the other Limited Partners' exposure to such securities. Finally, if the actual value of such securities is lower than the value designated by DFAM, then DFAM and the General Partner would receive a higher Management Fee and Incentive Allocation, respectively, than they would otherwise be entitled.

Because of overall size, concentration in particular markets and maturities of such securities held by Clients, the value at which such securities can be liquidated may differ, sometimes significantly, from the interim valuations arrived at using the methodology used by DFAM. In addition, the timing of liquidations may also affect the values obtained on liquidation. At times, third-party pricing information may not be available (or may be impractical to obtain) for certain securities held by Clients, especially for securities in which no public market exists.

Interest Rate Risk

Clients are subject to interest rate risk. Generally, the value of fixed-income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. DFAM may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps,

interest rate futures and/or interest rate options. However, there can be no guarantee that DFAM will be successful in fully mitigating the impact of interest rate changes on the portfolios.

Credit Default Swap Agreements

Clients may utilize credit default swaps. The buyer of a credit default contract is obligated to pay the seller either a lump sum payment or a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation or entity. Generally, a credit event means bankruptcy, failure to pay, cross default/acceleration, obligation acceleration, repudiation/moratorium, restructuring or rating decline. Clients may be either the buyer or seller in a transaction. If the Client is a buyer and no credit event occurs, Clients will have made fixed payments and received nothing. However, if a credit event occurs, Clients acting as buyers, will typically receive full notional value for a reference obligation that may have little or no value. As a seller, the Fund receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligation which may have little or no value.

In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. Swap contracts are not traded on exchanges and are not otherwise regulated, and as a consequence, Clients in such contracts do not benefit from regulatory protections. The selling of credit default swaps involves greater risks than if the Client had invested in the reference obligation directly. If a credit event were to occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value. The buyer of credit default swaps will incur a loss if the seller fails to perform on its obligation should a credit event occur. In certain circumstances, the buyer can receive the notional value of a credit default swap only by delivering a physical security to the seller and is at risk if a deliverable security is unavailable or illiquid.

Exchange Traded Funds

Exchange-traded funds (“ETFs”) are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

Leverage

As noted above, Clients may be directed to utilize leverage. Leverage increases returns to Clients if there is a greater return on leveraged investments than the Client’s cost of such leverage. However, the use of leverage exposes Clients to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the Clients not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions, (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Client’s cost of leverage related to such investments and (iv) fluctuations in interest rates on the Client’s borrowings, which may have a negative effect on the Client’s profitability. In case of a sudden, precipitous drop in the value of the Fund’s assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Fund.

In an unsettled credit environment, DFAM may find it difficult or impossible to obtain leverage. Since leveraging its assets could be part of Client investment strategies, in such event, DFAM could find it

difficult to fully implement its strategies. In addition, any leverage obtained, if terminated on short notice by the lender, could result in DFAM being forced to unwind positions quickly and at prices below what DFAM deems to be fair value for the positions.

Derivatives

Clients may utilize both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy. These instruments can be highly volatile and expose Clients to a high risk of loss. Transactions in over-the-counter contracts may involve additional risk, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value, incorrect collateral calls or delays in collateral recovery.

Options

Clients may utilize options. The purchase or sale of an option involves the payment or receipt of a premium by the Client and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the Client loses its premium. Selling options involves potentially greater risk because the Client is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Counterparty and Settlement Risk

To the extent Clients invest in swaps, derivatives or "synthetic" instruments, repurchase agreements, other over-the-counter transactions or non-United States securities or engage in securities lending, Clients may take a credit risk with regard to parties with which they trade and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Any such default by a trading counterparty could result in losses to a Client due to the delay of settlement of a transaction, loss of market gains or, in certain circumstances, loss of a portion or the full amount of the notional value of the transaction.

Custody and Prime Brokerage Risk

There are risks involved in dealing with the custodians or prime brokers who settle trades for the Clients. Under certain circumstances, including certain transactions where Client assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the prime broker, or where Client assets are held at a non-United States prime broker, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of a Client and hence the Client could be exposed to a credit risk with regard to such parties. In addition, there may be practical or timing issues associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

As applicable, Clients maintain custody accounts with their prime brokers, Goldman, Sachs & Co. and Morgan Stanley & Co. LLC (the "Prime Brokers") or, at any time, with affiliates of the Prime Brokers. Although DFAM monitors the Prime Brokers and believes that they or their affiliates are appropriate custodians, there is no guarantee that the Prime Brokers, or any other custodians that the Funds may use

from time to time, will not become insolvent. While both the United States Bankruptcy Code and the United States Securities Investor Protection Act of 1970 seek to protect customer property in the event of a failure, insolvency or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Client assets, the Clients would not incur losses due to their assets being unavailable for a period of time, ultimately less than full recovery of their assets, or both.

Clients and/or the Prime Brokers may appoint sub-custodians in certain non-United States jurisdictions to hold Client assets. The Prime Brokers may not be responsible for cash or assets which are held by sub-custodians in certain non-United States jurisdictions, nor for any losses suffered by the Funds as a result of the bankruptcy or insolvency of any such sub-custodian. Clients may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections which would normally be provided to the Funds by a custodian will not be available to the Funds. Custody services in certain non-United States jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-United States jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy in certain non-United States jurisdictions, the ability of Clients to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy would be in doubt.

Real Property Risk

DFAM Clients pursuing real estate strategies are subject to the risks inherent in the ownership, operation, repositioning and development of real estate and real estate-related businesses and assets (including REITs or other equity type instruments). These risks include, but are not limited to, the burdens of ownership of real estate property; general and local economic conditions; the supply and demand for properties; the competition for real estate assets; energy and supply shortages; fluctuations in the average occupancy and room rates for hotel properties; the financial resources of tenants, buyers and sellers; changes in building, environmental and other laws and/or regulations; changes in real estate property tax rates; changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; negative developments in the economy that depress travel activity; environmental liabilities; contingent liabilities on disposition of assets; uninsured or uninsurable casualties; natural disasters, terrorist attacks; and war and other factors which are beyond our control. The yields available from equity investments in real property depend in large part on the amount of income generated and expenses incurred. If the investments do not generate revenues sufficient to meet operating expenses, including debt service, tenant improvements, leasing commissions and other capital expenditures, clients may be required to fund or borrow additional amounts to cover fixed costs, and the cash flow of such client account (and, with respect to investment funds, its ability to make distributions to shareholders) will be adversely affected.

Force Majeure

Clients' investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a Client or a counterparty) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from a Client investment, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a Client investment or a DFAM Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a Client investment. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Client would invest.

Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to the Client, including if the investment in such companies is canceled, unwound or acquired (which could be without adequate compensation).

Cybersecurity Risks

DFAM and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users, as well as unintentional damage or interruption that, in either case, can result in damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. A cybersecurity breach could expose DFAM and its Clients to substantial costs (including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage), civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause Client or Investor withdrawals. While DFAM has established risk management strategies, systems, policies and procedures to seek to prevent cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. Furthermore, DFAM and its Clients cannot control the cybersecurity plans, strategies, systems, policies and procedures put in place by other service providers to the Clients and/or the issuers in which the Clients invest.

Side-Letters

DFAM and its affiliates are authorized to enter into side letters or similar written agreements with certain Limited Partners that have the effect of establishing rights under, or altering or supplementing the terms of the applicable Governing Documents, including without limitation to provide for different or more favorable fees, access to information about the Fund's investments, or other matters relating to an investment in the applicable Fund. The ability of other Limited Partners to elect to receive the benefit of such side agreements will be limited.

DFAM has broad and flexible investment authority. DFAM may have other investment strategies or methods of analysis, or engage in other activities, than those described herein. The foregoing list of risk factors is not an exhaustive explanation of all risks involved in an investment in a Fund or as part of a separate account client relationship. Investors should refer to the relevant Governing Documents for a more complete understanding of that Fund's investment objectives and strategies. Clients should carefully review their Investment Policy Statement or similar document established with DFAM that outlines the investment parameters of their strategies.

There can be no assurance that DFAM's investment strategies will achieve profitable results. Clients participate in highly speculative investments and are not intended as a complete investment program. DFAM strategies are designed only for sophisticated persons who can bear the economic risk of the loss of all or a portion of their investment, and who have limited need for liquidity.

C. Recommendations of Specific Securities

See Item 8.A and 8B. above.

ITEM 9 – DISCIPLINARY INFORMATION

DFAM and its employees have not been involved in any disciplinary events that require disclosure in response to this Item 9.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Registration as a Broker-Dealer

Not applicable. Neither DFAM, nor any of its affiliates have an application pending to register as a broker-dealer or employ any registered representative of a broker dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor

Not applicable. Neither DFAM, nor any of its affiliates are registered or have an application pending to register as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor with the U.S. Commodity Futures Trading Commission.

C. Material Relationships or Arrangements

DFAM serves as a General Partner or Investment Manager or Manager of the Funds. Investors in a Fund must understand that the Fund was formed as an investment product to be managed by DFAM, and that DFAM does not intend to cause any Fund to terminate its investment management relationship with DFAM absent its liquidation or bankruptcy. However, DFAM has a fiduciary duty to act in the best interest of the Funds, and Investors in the Funds have the right to withdraw from the Funds at any time subject to any notice requirement, lock-up period and other withdrawal limitations described in the Funds' Memorandum or other governing documents.

While not a direct affiliate, DFAM has a connection to Moelis & Company, a global investment bank that provides financial advisory services to corporations, governments, and financial sponsors. Ken Moelis is the Founder, Chairman and Chief Executive Officer of Moelis & Company. Ken Moelis is also the father of Jordan Moelis. While DFAM is unaffiliated with Moelis & Company, DFAM can direct Client investment in companies, from time to time, for which Moelis & Company has provided, or expects to provide, certain investment banking or other financial advisory services. The family relationship between Ken Moelis and Jordan Moelis may create conflicts of interest with respect to any such investment by a DFAM Client. Where available, DFAM will work to ensure such conflicts of interests are consented to, mitigated, or disclosed to all affected parties. Finally, DFAM also maintains a Compliance Manual that outlines policies and procedures to assist in the identification, mitigation, or disclosure of conflicts of interest relating to its Clients.

- D.** Additionally, Jordan Moelis is a member of the investment committee of Center Capital Partners, LLC ("CCP"), a real estate private equity firm which was founded with the support of the Moelis Family. From time to time, Jordan Moelis will draw from his experience and expertise to provide investment recommendations to CCP clients through this role. Jordan Moelis does not have an ownership interest in CCP; however, he does have an indirect profit participation arrangement with CCP. Jordan Moelis also serves on the Board of Directors of SaveLive, LLC, a privately held music venue business and Site 20/20, a privately held traffic control technology company. Additionally, Jordan Moelis serves as an advisor to Monserrate Capital, an early-stage venture capital firm. Finally, Jordan Moelis serves as an advisor to MonCap Holdings, LLC ("MonCap"), a growth-based private equity firm serving family office and institutional investors. Jordan Moelis, in his role as advisor, will provide guidance, recommendations, introductions, assistance and other consulting services as reasonably requested by MonCap. Jordan Moelis does not have an equity ownership interest in MonCap; however, he has been awarded "EMD Grants" which entitles Jordan Moelis to a percentage of carried interest received by MonCap. DFAM does not believe that these involvements conflict with Jordan Moelis' primary role at DFAM, or create an unnecessary burden

on his time and resources in service of DFAM's clients. Jordan Moelis is subject to DFAM's Compliance Manual and Code of Ethics, and is supervised by the Chief Compliance Officer, which is further discussed in Item 11 of this Brochure. **Selection of Other Investment Advisers**

Not applicable to DFAM.

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

A. Code of Ethics

DFAM's Code of Ethics (the "Code of Ethics") describes DFAM's high standard of business conduct and has been designed to comply with the requirements of Advisers Act Rule 204A-1. Among other things, the Code of Ethics (i) requires that all employees comply with federal securities laws, (ii) requires that all employees report to DFAM their personal securities holdings and transactions in reportable securities, and that DFAM review such reports, (iii) requires all employees to obtain pre-approval of certain personal securities transactions, and (iv) limits trading in certain situations that may pose a potential conflict of interest. All personnel of DFAM are required to certify their compliance with the Code of Ethics. Personnel who fail to observe the Code of Ethics and related compliance policies risk serious sanctions, including dismissal and personal liability.

Under the Code of Ethics, generally DFAM, its employees, affiliates or their related persons may buy, sell or otherwise invest in securities for their own accounts, provided, however that such transactions generally require pre-approval from the Chief Compliance Officer. In order to manage any conflict of interest, such transactions will be reviewed in the best interests of the Funds and will be denied by the Chief Compliance Officer if there is risk of potential adverse consequences to the Funds.

DFAM serves as investment manager to its Clients. DFAM, its employees, affiliates or their related persons may also invest directly in a DFAM-managed Fund. The fact that DFAM, its employees, affiliates or their related persons may have a financial ownership interest in a Fund creates a potential conflict in that it could cause DFAM to make different investment decisions than if they did not have such a financial ownership interest.

Furthermore, DFAM and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with existing Clients, and/or may involve substantial time and resources of DFAM. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of DFAM and its affiliates are not devoted exclusively to the business of the existing advisory Clients, but are allocated between the business of the existing Clients and the management of the monies of any future Fund and accounts managed by DFAM. DFAM uses its best judgment to be fair and equitable to its Clients to minimize conflicts of interest.

Limited Partners, prospective Limited Partners, or separate account clients may arrange a time to review DFAM's Code of Ethics by contacting the Chief Compliance Officer using the information found in Item 1 - Cover Page of this Brochure.

B. Recommendations Involving Material Financial Interests

Neither DFAM nor its related persons recommend to a Fund, or buys or sells for Fund accounts, securities in which DFAM or a related person has a material financial interest.

See Item 10 of this Brochure for discussion surrounding DFAM's relationship with Moelis & Company.

C. Investing Personal Money in the Same Securities as Clients

Although DFAM's policies and procedures generally prohibit its Access Persons and related persons from trading in the same instruments that DFAM buys or sells for Client accounts, there may be limited circumstances in which DFAM, its Access Persons and/or the related persons may also personally buy or sell the same instruments, such as securities or options on securities, that DFAM buys or sells for Client accounts, or are subsequently bought for Client accounts because of DFAM's recommendations regarding a particular security. DFAM's policy as to such transactions prohibits both DFAM and any of its Access Persons or related persons to benefit from price movements that may be caused by transactions for Fund accounts or otherwise. DFAM addresses this conflict by requiring Access Persons to sign and adhere to DFAM's Code of Ethics and to obtain authorization prior to the purchase or sale of any security held in Fund accounts, and to report personal securities holdings and transactions to DFAM.

D. Trading Securities At/Around the Same Time as Clients

As discussed above, from time to time, DFAM, its Access Persons, or related persons of DFAM may buy or sell securities for themselves only with pre-authorization from the Chief Compliance Officer. DFAM will document any transactions that can be construed as conflicts of interest and will always transact Fund business before the business of its Access Persons and/or related persons when similar securities are being bought or sold.

ITEM 12 – BROKERAGE PRACTICES

A. Factors Used to Select or Recommend Broker-Dealers

1. Research and Other Soft Dollar Benefits

DFAM has complete discretion in deciding what brokers and dealers the Clients will use and in negotiating rates of brokerage compensation. In addition to using brokers as “agents” and paying commissions, the Fund may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns.

In choosing brokers and dealers, DFAM will not be required to consider any particular criteria. Generally, DFAM will seek to obtain the best combination of brokerage expenses and execution quality of Client transactions, but, as discussed below, DFAM is not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. In evaluating “execution quality,” historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions will usually be a principal factor, but other factors will also be relevant, including the execution, clearance, and settlement and error correction capabilities of the broker or generally and in connection with securities of the type and in the amounts to be bought or sold, the broker’s or dealer’s willingness to commit capital; its reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; and the market for the security. DFAM has no obligation to deal with any broker or dealer in executing transactions in the Client’s portfolio securities. As noted in the forgoing, the amount of compensation paid to such broker-dealer may be higher than what another, equally capable broker-dealer might charge. DFAM maintains “prime brokerage” arrangements with Morgan Stanley & Co. and Goldman Sachs & Co. (the “Prime Brokers”). Under these arrangements, the Prime Brokers will provide certain recordkeeping services and perform the following functions, among others: arrange for the receipt and delivery of securities bought, sold, borrowed, and loaned; make and receive payments for securities; maintain custody of cash and securities; delivery of cash to a Client’s bank accounts; and tender securities in connection with tender offers, exchange offers, mergers, or other corporate reorganizations. DFAM Clients pay for custodial and related services either in cash or by allocating a portion of their brokerage business to the Prime Brokers. Clients not committed to continue “prime brokerage” relationships with the Prime Brokers for any minimum period may use one or more other prime brokers or custodians in the future. If Clients use another prime broker or custodian, they may be required to pay separate fees in cash.

Broker-dealers may provide research or other services in addition to the services required to execute an order. When a portion of the commission paid to a broker-dealer for the execution of an order is considered to be a payment for these additional services, this portion of the commission is often referred to as “soft dollars.” The additional research and other services received are sometimes referred to as “soft dollar benefits.” Soft dollar benefits will be used in servicing current and any future Fund following a public equity strategy. Clients will pay a higher commission cost because of the soft dollar safe harbor benefits provided by a broker-dealer, but this will only occur if DFAM has determined in good faith that this commission is reasonable in relation to the value of the soft dollar safe harbor benefits provided by the broker-dealer (as discussed below).

DFAM currently has soft dollar arrangements in place with Morgan Stanley & Co. and Goldman Sachs & Co and anticipates entering into additional such arrangements in the future to the extent that doing so is believed to be in the best interest of its Clients. Broker-dealers with which DFAM establishes soft dollar arrangements generally establish “credits” based on past transactional business, which will be used to pay for specified expenses, as described below. Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to broker-dealers in exchange for soft dollar benefits, including an incentive to select a broker-dealer based on DFAM’s interest in receiving

research or other products or services, rather than on the Fund's interest in receiving the most favorable execution.

In accordance with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, DFAM is authorized to use soft dollars to acquire a variety of research and brokerage services and products from a broker-dealer, provided that the commissions paid are reasonable in light of the value of the brokerage and research products or services provided, as determined by DFAM in good faith. DFAM will generally limit the use of "soft dollars" to obtain research and brokerage services which constitute eligible research and brokerage within the meaning of Section 28(e)

For these purposes, eligible "brokerage" services and products are those used to effect securities transactions for Clients or to assist in effecting those transactions, such as execution, clearing, and settlement of securities transactions and other functions incidental thereto. Eligible "research" products and services include advice, analyses, or reports that provide lawful and appropriate assistance to DFAM in making investment decisions for Clients.

Research products and services DFAM expects to receive may include not only a wide variety of reports, charts, publications and proprietary data on such matters as market conditions and projections, analyses of particular industries, companies or securities, pre-trade and post-trade analytics (including trade analytics transmitted through an order management system), and trade analytical software but also attendance at conferences sponsored by brokers, meetings with management representatives from companies we are covering, discussions with research analysts and specialists, research on optimal execution venues and trading strategies, and advice on order execution, execution strategies, market color, and the availability of buyers and sellers (and the software that provides these types of market research). Such research products and services are received primarily in the form of written reports, financial publications, and data services (e.g. Bloomberg), as well as expert consultations relating to current or prospective Fund investments.

Brokerage products and services DFAM expects to receive include: communications and connectivity services related to execution, clearing, and settlement of securities transactions, trading software used to route orders to market centers or direct market access systems, software that provides algorithmic trading strategies, and certain eligible post-trade services incidental to transaction execution, such as electronic communication of allocation or settlement instructions.

In the event any products or services obtained by DFAM with client commissions have "mixed uses," (i.e., for research and non-research purposes), DFAM will make a good faith and reasonable allocation of the cost of the product according to its use, in accordance with the SEC's interpretive guidance. Although DFAM will make a good faith and reasonable allocation of the eligible costs of the product or service for brokerage or research, the allocation determination itself poses a potential conflict of interest since DFAM may have an incentive to overestimate the soft dollar portion allocated to the "mixed use" product or service in order to avoid paying for such brokerage or research with hard dollars.

2. Brokerage for Client Referrals

DFAM does not currently participate in any client or investor referral programs or arrangements with broker-dealers.

3. Directed Brokerage

No current separate account clients maintain directed brokerage arrangements.

Limited Partners in the Funds are unable to request or require that transactions are executed through a specified broker-dealer.

B. Aggregating Trading for Multiple Client Accounts

DFAM is authorized to aggregate purchase and sale orders of investments held by Clients with similar orders being made simultaneously for other accounts or entities if, in DFAM's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to its Clients based on an evaluation that they will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of investments for Clients will be affected simultaneously with the purchase or sale of like investments for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined, at DFAM's sole discretion, and Client accounts may be charged or credited, as the case may be, with the average transaction price. While DFAM believes combining orders in this way will, over time, be advantageous to all participants, in particular cases the price could be less advantageous to Clients if those Clients had been the only accounts effecting the transaction or had completed its transaction before the other participants.

ITEM 13 – REVIEW OF ACCOUNTS

A. Review of Client Accounts

DFAM's investment and risk management personnel generally review the Client's trading accounts on an ongoing basis, typically daily. Mr. Moelis and other investment team members may consider information and research from a variety of sources.

Further, the Chief Compliance Officer periodically reviews the Clients' investments to ensure consistency with applicable law and regulations and with stated investment guidelines and objectives.

B. Advisory Client Reporting

Funds undergoing an annual audit will furnish to their Investors, as soon as practicable after the end of each taxable year (or as otherwise required by law), annual reports containing financial statements examined by the Fund's independent auditors as well as such tax information as is necessary for each Investor to complete United States federal and state income tax or information returns (if any), along with any other tax information required by law (if any). Funds undergoing an annual audit also furnish unaudited reports reviewing the Fund's performance at least monthly.

Separate account clients, or Clients not receiving an annual audit, receive quarterly reporting from their custodians, as well as any tax related materials necessary for United States federal and state income tax, or other documents required by law.

Representatives of DFAM are available for discussions with Investors and separate account clients on a periodic or agreed upon basis.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

DFAM does not currently make cash or other payments directly in return for client or investor solicitations. To the extent such relationships are developed, DFAM will ensure that all client solicitation arrangements comply with Advisers Act Rule 206(4)-3.

ITEM 15 – CUSTODY

DFAM, as the applicable Funds' General Partner, is deemed to have custody of certain Fund assets within the meaning of Rule 206(4)-2 under the Advisers Act. All such Fund assets are generally held in an account at a qualified custodian as required under Rule 206(4)-2. The qualified custodians presently utilized by the General Partner for Fund assets are listed on Part 1A of DFAM's Form ADV.

To further ensure compliance with Rule 206(4)-2 under the Advisers Act, for certain Funds, all underlying Investors in the Fund will be provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB"), in accordance with United States Generally Accepted Accounting Principles, within 120 days of the end of the Fund's fiscal year end. Investors should carefully review the audited financial statements of their respective Fund, as applicable, upon receipt. If an Investor has invested in a Fund and has not received such financial statements in a timely manner, such Limited Partners should contact DFAM immediately. DFAM may use additional qualified custodians in the future.

For certain Clients unable to rely on the audit exception described above, all Client funds and securities are still held at a qualified custodian in an account under that Client's name. Account statements are delivered directly from the qualified custodian to each Client, or that Client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from DFAM. When Clients have questions about their account statements, they should contact DFAM or the qualified custodian preparing the statement. DFAM engages an independent public accountant, registered with and subject to regular inspection by the PCAOB, to perform a surprise asset verification on an annual basis.

ITEM 16 – INVESTMENT DISCRETION

DFAM has full discretionary authority to manage the investments of its Clients. DFAM has the authority to determine (i) the securities to be purchased and sold for Client accounts (subject to restrictions on its activities set forth in the applicable Governing Documents or Investment Management Agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for Client accounts.

Underlying Investors in a Fund generally do not have the ability to impose limitations on DFAM's discretionary authority.

ITEM 17 – VOTING CLIENT SECURITIES

DFAM understands and appreciates the importance of proxy voting. DFAM's Chief Compliance Officer or his designated appointee generally manages the receipt of incoming proxies, maintains a log of all proxies, and places votes based on specified policies and guidelines established by DFAM. DFAM will vote any such proxies in the best interests of the Client and in accordance with the procedures outlined below (as applicable).

All Client proxies will be provided to the Chief Compliance Officer. Such votes will be executed by the Chief Compliance Officer. The Chief Compliance Officer (or his designated person) will generally adhere to the following procedures (subject to limited exception). A written record of each proxy received by DFAM (on behalf of a Client) will be documented and maintained. The Chief Compliance Officer and selected employees will review the proxy, including any conflicts of interest. This review will include an evaluation of whether DFAM (or any affiliate of DFAM) has any relationship with the company (or an affiliate of the company) to which the proxy relates outside an investment in such company by a Client. If a material conflict is identified, DFAM will document the conflict and the rationale for its decision to vote in a particular manner. DFAM also has the flexibility to abstain from a particular proxy vote if doing so would be in the best interests of the Client, taking into account associated costs, benefits, and interests of the clients.

If you have any questions about DFAM's proxy policy, its proxy record-keeping procedures or if you would like any detailed information about how proxies are actually voted, please call the Chief Compliance Officer using the information found in Item 1 - Cover Page of this Brochure.

ITEM 18 – FINANCIAL INFORMATION

DFAM and its affiliates do not require or solicit prepayment of more than \$1,200 in advisory fees, six months or more in advance. DFAM is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Clients. DFAM has not been the subject of any such bankruptcy petition.

ITEM 19 – **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not applicable to DFAM.