

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of TRAFELET CAPITAL MANAGEMENT, L.P. (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at 212 201-7800 or jfaber@trafelet.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

TRAFELET CAPITAL MANAGEMENT, L.P. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about TRAFELET CAPITAL MANAGEMENT, L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated January 25, 2012 is a new document prepared according to the SEC’s new requirements and rules. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting the Adviser’s Chief Compliance Officer at 212 201-7800 or by email at jfaber@trafelet.com.

Additional information about Trafelet Capital Management, L.P. is also available via the SEC’s web site www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

A. General Description of Advisory Firm –

Trafelet Capital Management, L.P. (the “Adviser”) is a Delaware limited liability company with its principal place of business in New York. The Adviser was founded in 2000. Remy Trafelet is the principal owner of the Adviser.

B. Description of Advisory Services –

The Adviser provides advisory services on a discretionary basis to its clients, specifically, pooled investment vehicles intended for sophisticated investors and institutional investors. The Adviser has particular expertise in investing and trading in publicly traded equity securities, utilizing both long and short positions. As of the date hereof, the Adviser provides investment advice to five private investment funds (detailed below). Each of the private investment funds are herein referred to as a “Fund” and collectively the “Funds”. In addition, from time to time herein, the Funds may be referred to as “clients” of the Adviser.

C. Availability of Tailored Services for Individual Clients –

The Adviser does not tailor its advisory services to the individual needs of investors in the Funds and does not accept investment restrictions imposed by such Fund investors. However, where an investor in a Fund is subject to specific restrictions (e.g., portfolio diversification requirements), the Adviser may tailor its advice to the Fund in accordance with such restrictions on a case by case basis if such restrictions will not materially alter its investment strategy and approach.

Each of the Funds has individual investment guidelines and objectives, as detailed in their respective offering memorandum (each, an “Offering Memorandum”, and collectively, the “Offering Memoranda”) and/or investment advisory agreement, as the case may be.

Investors in the Funds are herein referred to as “Investors”.

Two of the Funds which the Adviser currently manages are set up in a master-feeder structure as follows:

- Delta Offshore, Ltd. (“Delta Offshore Feeder”) – a Cayman Islands feeder fund
- Delta Offshore Master, Ltd. (“Delta Master Fund”) – a Cayman Islands master fund

The Adviser also manages these three funds as follows:

- Delta Institutional, LP (“Delta Institutional”) – a Delaware limited partnership
- Delta Onshore, LP (“Delta Onshore”) – a Delaware limited partnership
- Delta Pleiades, LP (“Delta Pleiades”) – a Delaware limited partnership.

Delta Institutional, Delta Onshore and Delta Pleiades are herein referred to as the “Domestic Funds”.

D. Wrap Fee Programs –

The Adviser does not participate in wrap fee programs.

E. Client Assets Under Management –

As of December 31, 2011 the amount of client assets that the Adviser managed on a discretionary basis was \$359,020,030 (regulatory AUM). All the Funds are managed by the Adviser on a discretionary basis.

Item 5 – Fees and Compensation

A. Advisory Fees and Compensation –

Delta Institutional, Delta Onshore and Delta Pleiades: Investors in each of these Funds are charged 2% per annum management fee, as well as a performance (incentive) fee of 20% of net profits (including unrealized gains), subject to a loss carryforward provision. The general partner of the Funds (an affiliate of the Adviser in the case of Delta Institutional and Delta Onshore, and an unaffiliated entity in the case of Delta Pleiades), in its sole discretion, may, in effect, waive or reduce the management fee or performance fee to be paid to it by Investors in the Fund that are principals, employees or affiliates of the Adviser or the general partner or its affiliates, or relatives of such persons, and for certain large or strategic investors.

Delta Offshore Feeder: Investors in this Fund are charged 2% per annum management fee, as well as a performance (incentive) fee of 20% of net profits (including unrealized gains), subject to a loss carryforward provision. The Adviser, in its sole discretion, may, in effect, waive or reduce the management fee or performance fee to be paid to it by Investors in the Fund that are principals, employees or affiliates of the Adviser or its affiliates, or relatives of such persons, and for certain large or strategic investors.

In addition, other fees are charged as described in this Item 5.

B. Payment of Fees –

Fees charged are deducted from the Funds’ assets. Management fees for all Funds are paid to the Adviser quarterly in advance, as of the first day of each quarter. A pro rata management fee will be charged to Investors on any amounts invested in the midst of any quarter.

Performance fees for Funds are payable annually if the Fund has achieved a net profit (including net unrealized gains), subject to a loss carryforward provision. For the Delta Offshore Feeder, performance fees are calculated on the basis of the Delta Offshore Feeder’s interest in the Delta Master Fund. For Delta Institutional and Delta Onshore,

performance fee is payable to the general partner, an affiliate of the Adviser. For the Delta Offshore Feeder and Delta Pleiades, the performance fee is payable to the Adviser. See Item 6 for additional information.

An Investor's monthly account statement shows an Investor's holdings in the Funds net of all fees and expenses.

A. Other Fees and Expenses -

The Adviser is responsible for and shall pay, or cause to be paid, all its ordinary office overhead expenses, which include rent, supplies, secretarial expenses, stationery, charges for furniture and fixtures and compensation of analysts and administrative personnel. All other expenses are borne by the Funds, including the fees paid to the Adviser or its affiliate (as described in Item 5A and 5B) and to an administrator, directors' fees, legal, accounting, auditing and other professional expenses, research expenses (including research-related travel expenses (such as lodging, airfare, meals and conference costs), communications equipment (including phones and portable electronic devices) and equipment (including computer hardware and software) utilized in the investment management process (including updates, modifications, improvements, product testing, maintenance, offsite or onsite backup, repairs and replacements)) and investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees and other reasonable expenses related to the purchase, sale or transmittal of a Fund's assets. Employees of the Adviser or its affiliates sometimes travel on an airplane that is partially owned by an entity under common control with the Adviser. When such travel is deemed to be a Fund expense, the Fund is charged for such travel based upon an allocation of the costs of owning and operating the airplane. The Adviser believes that this cost is justified by the greater efficiency and security provided by the use of the airplane.

As noted above, Investors in the Funds also incur brokerage and other transaction costs. Each Offering Memoranda for the Funds discusses these brokerage and transaction costs, including factors related to how brokers are selected, under the section entitled "Brokerage Practices". Item 12 also further describes the factors that the Adviser considers in selecting or recommending broker-dealers for transactions and determining the reasonableness of their compensation (e.g., commissions).

C. Prepayment of Fees -

As noted in Item 5(B) above, the management fee charged to the Funds is paid quarterly in advance. Once charged to an Investor's account, there is no refund of any of the fees and expenses that have been charged (except when an Investor redeems from the Delta Offshore Feeder prior to the end of a quarter, in which case such Investor will receive a refund of management fees paid in advance).

D. Additional Compensation and Conflicts of Interest –

No supervised person of the Adviser accepts compensation for the sale of securities or other investment products.

Item 6 – Performance-Based Fees and Side-By-Side Management

The Adviser charges Investors in the Funds performance-based fees (sometimes called an “incentive fee” or “incentive allocation”), all at the same rate. Note that certain Investors in the Funds, such as certain employees of the Adviser and their family members, may have performance-based fees waived or reduced in accordance with the Fund’s organizational documents.

Some of the Adviser’s investment personnel’s compensation includes a performance-based component.

When an Adviser and its investment personnel manage more than one client account, a potential exists for one client account to be favored over another client account.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts and the allocation of investment opportunities. The Adviser allocates investment opportunities in accordance with written guidelines that insure that all clients are treated fairly and equally. At the quarterly Pricing and Allocation Committee (PAC) meetings, account performance is reviewed for any evidence of favoritism to higher fee paying accounts. See Item 11 for further discussion of the Adviser’s allocation policy.

The existence of performance based fees could theoretically incentivize the Adviser to manage client portfolios in a more aggressive, risky manner; however, the Adviser attempts to minimize this risk by ensuring that it is managing the Funds in accordance with stated investment objectives. In addition, the performance based fee received by the Adviser is based primarily on realized and unrealized gains and losses. As a result, the performance-based fee earned could be based on unrealized gains that Investors may never realize.

Item 7 – Types of Clients

The Adviser provides investment advice only to private funds (i.e., hedge funds). The minimum initial investment in each of the Funds is \$1,000,000, subject to waiver or reduction by the general partner (an affiliate of the Adviser, except for Delta Pleiades, for which the general partner is not an affiliate of the Adviser), or board of the directors, as the case may be, of such Fund.

There are no minimums to maintain an investment in the Funds.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies.

The Adviser utilizes a variety of methods and strategies to make investment decisions for the Funds. The Adviser has considerable discretion respecting the investment strategies and choices for the Funds.

The Adviser seeks to preserve capital through investments, both long and short, primarily in publicly traded equity securities. For the Domestic Funds, the Adviser seeks to maximize after-tax capital appreciation.

The Adviser will seek to achieve capital appreciation from both the long and short sides of a Fund's portfolio and will short equity securities both to hedge long positions and as long-term investment positions. The Adviser will aim to take a similar stance on long positions, i.e., they are to be treated as both long-term investments and, at times, hedges for short positions. While the Adviser may employ equity index options to manage exposure, the Adviser believes the best hedging strategy results from a correlated long and short portfolio where the Adviser believes it can attain a competitive advantage through fundamental research and financial analysis.

For the Domestic Funds, the Adviser will strive to reduce Investors' tax liability through in-house tax advice and the consultation of accountants and other tax professionals. The Adviser believes significant value can be added to the Investors' after-tax returns through active tax planning. The Adviser's tax strategy will attempt to simply make the portfolio as tax efficient as practicable.

The Adviser's strategy will be driven by bottom-up, fundamental analysis. On the long side of the portfolio, the Adviser will attempt to apply stringent parameters to valuation metrics with the belief that assets with cheap valuations are less subject to depreciation in market downturns. The Adviser will actively emphasize the short side of the portfolio for both hedging long positions to reduce risk and as investments for capital appreciation. The Adviser will rely heavily on in-house model development for valuation purposes (for level 3 securities). The Adviser will attempt to uncover investment opportunities where it believes that its intensive bottom-up, fundamental research process provides a competitive advantage on current investment perceptions and will invest with the intent of capitalizing on the perceived changes in a company's financial future.

The Adviser will seek investment opportunities in industries in which it believes it has specific expertise. Furthermore, the Adviser believes that often stock specific investment themes that may be prevalent in a certain market have a time lag before realization in other markets. Accordingly, the Adviser will also seek opportunities in developed international markets on a company specific basis (including Canada and the United Kingdom). The Adviser may invest in other markets, including emerging markets, if it believes such

investments are in accordance with a Fund's investment objective. International exposure will be based on a bottom-up stock-by-stock investment methodology.

The Adviser's hedging strategy will be to offset positions, whether long or short, with comparable securities in which the Adviser has tried to gain a competitive advantage through its fundamental research process. While index options may be utilized to control exposure levels, the Adviser's primary hedging strategy will be to manage risk through a proactive, bottom-up, stock-by-stock shorting strategy. The Adviser anticipates a portfolio using minimal financial leverage and generally operating under the constraints of plus/minus 100% net exposure and 150% gross exposure.

The Adviser will not invest more than 20% of any of the Funds' assets in any one security, measured at the time of investment. It is noted that the Adviser will not make private equity investments for any of the Funds in excess of 5% of the Adviser's assets (measured at the time of investment).

The Adviser intends to pursue the investment philosophy described above and will generally follow the outlined investment strategies for so long as such strategies are in accordance with a Fund's investment objective and may also formulate new approaches to carry out an overall investment objective.

While it is anticipated that the Adviser will invest primarily in publicly traded stocks and related instruments, the Adviser has broad and flexible investment authority. Accordingly, a Fund's portfolio assets may at any time include long or short positions in U.S. or foreign publicly traded or privately issued common stocks, preferred stocks, stock warrants and rights, corporate debt, bonds, notes or other debentures, convertible securities, swaps, options, futures contracts and other derivative instruments. Additionally, the Adviser may, at times, hold certain positions for a short period of time.

The Adviser may purchase, hold, sell or otherwise deal in commodities, commodity contracts, commodity futures, financial futures or options thereon.

Investing in the Funds is highly speculative and involves risk of loss that Investors should be prepared to bear. There is no assurance that the Funds will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategy.

B, C. Material Risks of the Adviser's Investment Strategies, Methods of Analysis and Types of Securities.

The Adviser has broad discretion in making investments for its Funds. Investments contained in the Funds' portfolios may be affected by business, financial market or legal uncertainties. Material risks include (but are not limited to) the following factors summarized below. Please consult the Offering Memoranda for a complete description of the risks associated with the Funds.

The profitability of a significant portion of the Adviser's investment program depends to a great extent upon correctly assessing the future course of price movements of specific securities and other investments. There can be no assurance that the Adviser will be able to predict accurately these price movements. At any given time, the Adviser may have significant investments in smaller-to-medium sized companies of a less seasoned nature whose securities are traded in the over-the-counter market. These small cap securities often involve significantly greater risks than the securities of larger, better known companies.

The Adviser may pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying trading positions were to fail to converge toward, or were to diverge further from, the Adviser's expectations, a loss may be incurred.

The Funds' portfolios may each not generally be diversified among a wide range of types of securities, countries or industries. Accordingly, these portfolios may be subject to more rapid change in value than would be the case if they were required to maintain a wide diversification among types of securities and other instruments, countries and/or industries. It should be noted, however, that in any one Fund's portfolio, no position in any one security will make up more than 20% of such Fund's assets (measured at the time of investment). In addition, the Adviser will not make private equity investments in excess of 5% of a Fund's assets (measured at the time of investment).

The Adviser may invest in companies that are 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 these types of transactions, there exists the risk that the transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price 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, the Adviser may suffer a loss on the investment. Because there is substantial uncertainty concerning the outcome of transactions involving companies in which the Adviser may invest, there is a potential risk of loss of its entire investment in such companies.

In addition, the types of investment instruments that the Adviser may use present potential risk of loss. Please see the Offering Memoranda for further elaboration on these instruments and their associated risks. The investment instruments which present significant risks discussed therein include the use of:

- a. options
- b. high yield securities
- c. debt securities
- d. counterparty and custodial risk
- e. co-investments with third parties

- f. synthetic or derivative instruments
- g. swap agreements
- h. short sales
- i. leverage/use of leverage
- j. futures contracts
- k. non-U.S. securities and investments in emerging markets
- l. currency hedging
- m. thinly-traded securities (lack of liquidity) and associated valuation issues
- n. “new issues”

The Adviser has one managing principal, Remy Trafelet. In the event that Mr. Trafelet should become unable to perform his duties at the Adviser, the Funds may be adversely affected.

Note that the Adviser has in place policies and procedures to address risk. These include holding a quarterly meeting of the Pricing and Allocation Committee (PAC) that reviews trading for the prior quarter.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Adviser or the integrity of the Adviser’s management. The Adviser has no disclosures to make in this regard about any of its management persons, employees or the firm itself.

Item 10 – Other Financial Industry Activities and Affiliations

A. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a future commission merchant, commodity pool operator, a commodity trading advisor, or as an associated person of any of the foregoing.

C. Except for the general partner entity which acts as a sponsor of the Domestic Funds, the Adviser and its management persons have no relationships or arrangements with advisory affiliates or persons under common control with the Adviser that are material to its advisory business, its clients or its Investors. The Adviser does not believe that this structure creates a conflict of interest to clients or Investors. Additionally, the Funds themselves may be considered related entities of the Adviser.

D. The Adviser does not recommend or select other investment advisers for its clients.

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

A. Code of Ethics –

The Adviser has adopted a Code of Ethics (contained in its Compliance Manual) for all its supervised persons describing its high standard of business conduct and fiduciary duty to its clients. The Adviser recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its Investors; (ii) its long-term business interests are best served by adherence to the principle that the interests of Investors come first; and (iii) it has a fiduciary duty to its Investors to act for their benefit. All Adviser personnel must put the interests of the Funds and Investors before their own personal interests and must act honestly and fairly in all respects in all dealings. All Adviser personnel must also comply with all federal securities laws.

The Adviser has adopted a Code of Ethics governing personal trading by its personnel, as described below. In addition, all personnel must report their personal securities transactions and holdings to the Adviser's Chief Compliance Officer ("CCO"), who regularly reviews all personal trading documents and to address any issues noted during the review. The CCO also regularly reviews the compliance program and any violations thereof that may have occurred, including determining the appropriateness of imposing a penalty for violations of the Code of Ethics.

All personnel of the Adviser must acknowledge the terms of the Code of Ethics and the Compliance Manual annually. The Adviser's Investors or prospective Investors may request a copy of the firm's Code of Ethics and excerpts of the Compliance Manual by contacting the Adviser's CCO, Jeff Faber at 212 201-7800 or by email at jfaber@trafelet.com.

B. Transactions in Securities where Adviser has Material Financial Interest –

Neither the Adviser nor any of its related persons recommend to the Funds, or buy or sell for the Funds, securities in which the Adviser itself has a material financial interest.

Please note however that Mr. Tafelet, entities which he controls, and other key employees of the Adviser maintain substantial investments in the Funds, so in this regard, the Adviser may be in fact be recommending securities in which its related persons do have a material financial interest. At the present time, due to the substantial level of ownership that Mr. Tafelet, his affiliated entities and key employees have in certain of the Funds, the rebalancing transactions that are generally performed on a monthly basis amongst the Funds are deemed to be "principal transactions". These rebalancing transactions therefore receive prior approval of an independent third party before they are effected. The independent third party monitors these rebalancing transactions to ensure that they are being undertaken to with the purpose of keeping the portfolio compositions of each of the Funds substantially identical. The PAC reviews all principal transactions at its quarterly meeting. In the event other principal transactions aside from rebalancing may be contemplated, the Compliance Manual contains policies and procedures that must be

undertaken by the Adviser prior to completing any such transaction, including obtaining consent of clients.

Other internal cross-transactions must be pre-approved by the PAC, the CCO and an independent third party. Purchase and sale transactions (including swaps) may be effected between Funds. If possible, internal cross trades will be effected by trading the security in the open market; however, at all times, such trades will be effected at fair market value.

Except for the Delta Offshore Feeder which acts as a feeder fund into the Delta Offshore Master Fund, neither the Adviser nor any of its related persons act as a general partner or Adviser in a Fund in which other Funds are solicited to invest. Neither the Adviser nor any of its related persons act as an investment adviser to an investment company that it recommends to the Funds.

C., D. Investing in Securities Recommended to Clients; Contemporaneous Trading. –

The Adviser has no proprietary trading accounts and therefore would not invest in the same (or related) securities in which the Funds are invested.

Except in certain circumstances, it is prohibited by the Adviser's policies regarding personal account trading by employees for employees to transact in the same security that any of the Funds have in their portfolios (as described below in more detail). Despite this prohibition however, it is possible that an employee of the Adviser or its related persons may hold a security that a Fund subsequently buys for its portfolio. In such a case, the employee must be granted permission to sell such a security from their personal account by the CCO and Mr. Trefelet, who would make a determination at that time as to whether the employee's sale of such security could adversely affect clients.

A summary of the Adviser's procedures to address conflicts of interest arising from personal account trading (such as front-running or personal trading having an effect on price of a security) is as follows:

Employees are prohibited from transacting for their personal accounts in: (i) securities of any issuer listed on the Adviser's restricted list, or (ii) any "covered securities" issued by, or related to, a company which is currently held in the portfolio of any Fund; however, the employee may transact in such security after 30 days has passed since the last transaction in the portfolio of any Fund, or (iii) any "covered securities" being analyzed or recommended for a transaction in the portfolio of any Fund. Notwithstanding the foregoing, transactions in ETF's may be effected with pre-clearance from the CCO and Mr. Trefelet. All transactions in "covered securities" (if not prohibited as just described) require pre-clearance by the CCO and Mr. Trefelet. The term "covered securities" is specifically defined in the Code of Ethics and generally includes all debt and equity securities, as well as options, futures and commodities, with certain limited exceptions pursuant to SEC rules and regulations.

The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of the Adviser will not interfere with making decisions in the best interest of advisory clients. Employee trading is monitored every month to ensure compliance with the Code of Ethics.

When a particular investment is suitable for more than one Fund, such investments will be allocated pro rata based on assets under management or in some other manner which the Adviser determines is fair and equitable under the circumstances. Factors that may be considered include, but are not limited to, allocations based on relative account sizes, recent changes in relative account sizes, the degree of risk involved in the investment acquired, the ability to accept “new issue” securities or non-US securities, and the extent to which investments are consistent with the investment policies and strategies of the various clients involved. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated amongst all participating clients in an equitable manner as determined by the Adviser.

Also discussed above in section (B) of this Item 11, note that internal cross transactions are considered “principal transactions” due to the current level of ownership in the Funds by Mr. Trafelet, entities which he controls, and other key employees of the Adviser. The Adviser’s Compliance Manual contains policies and procedures to address the conflicts of interest that may arise in such a case, including approval or review of the transaction by the PAC committee and Investor approval if required by law.

Item 12 – Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions –

Generally, in determining which broker or dealer to use, the Adviser looks at the character of the market for the security, including, but not limited to the security’s price, volatility, and liquidity, as well as the size and type of transaction.

Specifically, in making any such determination, the Adviser may consider a number of factors, including, without limitation:

- the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);
- the operational efficiency with which transactions are effected and the efficiency of error resolution, taking into account the size of order and difficulty of execution;
- the financial strength, integrity and stability of the broker;
- special execution capabilities;
- clearance;
- settlement;
- reputation;
- on-line pricing;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;

- order of call;
- on-line access to computerized data regarding clients' accounts;
- performance measurement data;
- the quality, comprehensiveness and frequency of available research and related services considered to be of value;
- provision of the opportunity to participate in capital introduction events sponsored by the broker-dealer;
- referral of Investors to the Fund(s);
- commission-sharing agreements that are in effect at the time of the transaction.

The Adviser's Pricing and Allocation Committee (PAC) meets periodically to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

A.1. Research and Other Soft Dollar Benefits – The Adviser is permitted pursuant to the Funds' Offering Memoranda to utilize "soft dollar" credits generated by brokerage of the Fund to pay for research and or other products or services other than execution from a broker-dealer or a third party under the "safe harbor" provided by Section 28(e) of the U.S. Securities and Exchange Act of 1934, as amended. Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

- a. In the event the Adviser were to utilize "soft dollars" as described above, it would receive a benefit because it would not have to produce or pay for the research, products or services.
- b. In the event the Adviser were to utilize "soft dollars" as described above, it may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution.

- c. In the event the Adviser were to utilize “soft dollars” as described above, this practice may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for “soft dollar” benefits (known as “paying-up”).
- d. In the event the Adviser were to utilize “soft dollars” as described above, the “soft dollars” generated by one client’s account may be used by the Adviser to service that account as well as others and that “soft dollar” benefits possibly may be applied disproportionately to the soft dollar credits that an account generates.
- e. During the fiscal year 2011, the Adviser acquired the following products and services with client brokerage commissions (or markups or markdowns):
 - market data and research from Global Trend Alert;
 - research reports (on both companies and markets generally), attendance at certain seminars and conferences, discussions with research analysts, and meetings with corporate executives; any or all of these products and services were acquired from various broker-dealers that the Adviser utilizes as either an executing broker or prime broker for the Funds. These products and services were not provided with “soft dollar” credits generated by specific trades, but rather were provided by the broker-dealer because of the Adviser’s ongoing relationship with the broker-dealer.
- f. During the fiscal year 2011, the Adviser did not direct any client transactions to a particular broker-dealer in return for “soft dollar” benefits without pre-approval of the Adviser’s Chief Financial Officer and Mr. Trafelet. Prior to utilizing any “soft dollar” benefits, an analysis of the potential benefit vs. increased price was performed.

A.2. Brokerage for Client Referrals - The Adviser may also direct some of the Funds’ brokerage business to brokers who refer prospective investors to the Fund(s). Because such referrals, if any, are likely to benefit the Adviser and its affiliates but will provide an insignificant (if any) benefit to Investors, the Adviser will have a conflict of interest with the Fund(s) when allocating brokerage business to a broker who has referred investors to the Fund(s). If otherwise consistent with seeking best execution; the Adviser may place transactions with a broker or dealer that (i) provides the Adviser (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to a Fund advised by the Adviser (or an affiliate). In no event will the Adviser select the broker-dealer as means of remuneration in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

A.3. Directed Brokerage - The Adviser does not recommend, request or require that a client direct it to execute transactions through a specified broker-dealer (“directed brokerage”).

B. Order Aggregation –

When the Adviser determines to buy or sell the same security on behalf of more than one Fund, it may, but shall be under no obligation to, aggregate (to the extent permitted by applicable law and regulations) the securities to be purchased or sold in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, the Adviser’s trading personnel will place an aggregate order with the broker on behalf of all such Funds in order to ensure fairness for all clients; provided however, that trading shall be reviewed periodically to ensure that clients are not systematically disadvantaged by this policy. Funds participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

Item 13 – Review of Accounts

A. Frequency and Nature of Review –

Mr. Trafelet and the Firm’s Head Trader regularly evaluate the portfolios of the Funds daily, on a real-time basis. The Funds are actively managed by Mr. Trafelet through daily position sizing evaluations, liquidity reviews, hedging adjustments and overall maintenance of the stated portfolio parameters as set forth in the Offering Memoranda and the Investment Management Agreement. A quarterly Pricing and Allocation Committee (PAC) meeting is held to provide oversight over trading for the Funds. The PAC is composed of the Adviser’s Chief Compliance Officer/Chief Financial Officer, Mr. Trafelet, and a senior analyst.

Client accounts are also reviewed regularly for trading errors. Once an error is detected, the Adviser promptly corrects it. Subject to any standard of liability stated in an investment management agreement or limited partnership agreement, each Fund will bear the cost, or receive the benefit, of a trade error that was made in regard to its portfolio trading.

B. Factors Prompting a Non-Periodic Review of Accounts –

The Funds are actively managed and are reviewed regularly throughout the trading day.

C. Content and Frequency of Regular Account Reports -

Reports Provided to Investors in the Funds – (i) annual financial statements audited by an independent certified public accounting firm, (ii) monthly unaudited performance information, (iii) copies of each Investor’s Schedule K-1 to the Fund’s tax returns, and (iv) other reports as determined by the Investment Adviser or general partner in its sole discretion.

Investors may request additional information on the underlying investments of a Fund, as well as heightened access to Mr. Trafelet or other employees of the Adviser. These Investors may be able to act on such information that other Investors did not receive, however all Investors are invited to make such requests.

Although the Adviser will use its best efforts to provide timely tax information to Investors, it is possible that it may be late in providing tax information, and Investors plan to file for extensions with the relevant Federal and state taxing authorities.

All reports described above for the Funds are written.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Received from Non-Clients for Providing Services to Clients

The Adviser has no arrangements whereby a party who is not a client compensates or otherwise provides an economic benefit to the Adviser for providing services to clients.

The Adviser effects securities transactions through a number of broker-dealers. By virtue of it conducting business with broker-dealers, the Adviser may receive certain economic benefits from such broker-dealers which would not be received if it did not transact through the broker-dealers. These benefits may include, but are not limited to: access to an electronic communication network for order entry and account information; receipt of proprietary research; and participation in broker-dealer sponsored research and capital introduction conferences. The Adviser understands that the benefits received through its relationship with the broker-dealers (including its prime broker) generally do not depend upon the amount of transactions directed to, or amount of assets custodied by, the broker-dealers.

B. Compensation to Non-Supervised Persons for Client Referrals –

The Adviser may in the future enter into arrangements with placement agents providing for a payment by the Adviser of a one-time or ongoing fee based upon a percentage of the Management Fee and/or Performance Allocation. If an Investor is introduced to a Fund through a placement agent, the arrangement, if any, with such placement agent will be disclosed to and acknowledged by, the subscriber. There are no such arrangements currently in effect.

Item 15 – Custody

All Fund assets are held in custody by unaffiliated broker-dealers or banks acting in the capacity as “qualified custodians”. Notwithstanding the foregoing, the Adviser (and in certain cases, an affiliate of the Adviser) has “custody” of client assets in the Funds for purposes of Rule 206(4)-2 of the Investment Advisers Act of 1940. The Adviser has developed procedures that ensure the safeguarding and protection of assets. Such procedures include, among other things, the separation of functions and dual signatory approvals for the distribution of Fund assets.

The Funds undergo an annual audit by a PCAOB auditor, and audited financial statements are distributed to each Investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' fiscal year ends.

Item 16 – Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on the Adviser's discretionary authority.

Prior to assuming full discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine: (1) which securities or instruments to buy or sell; (2) total amount of securities or instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held, and it is possible that different clients will hold opposing positions.

For Investors in Delta Institutional, Delta Onshore and Delta Pleiades, upon execution of the subscription documents, each Investor agrees to be bound by the Fund's partnership agreement (which appoints the Adviser as investment adviser to the Fund).

For Investors in the Delta Offshore Feeder, upon execution of the subscription documents, each Investor has purchased shares of such Fund. The Fund is organized in the Cayman Islands pursuant to Articles of Incorporation which have been approved by its Board of Directors. The Board of Directors has approved the appointment of the Adviser to manage the assets of the Fund, and the Board of Directors may remove the Adviser if it sees fit to do so. In addition, pursuant to the Delta Offshore Feeder's subscription document, Investors appoint BNY Alternative Investment Services Ltd, with full power of substitution, as its proxy for the purpose of voting their shares. Such proxy is revocable by the Investor upon written notice.

Item 17 – Voting Client Securities

The Adviser has the authority to vote proxies for securities held in Fund portfolios. The Adviser's proxy voting policy was adopted in accordance with SEC Rule 206(4)-6 and calls for it to exercise its duty of care and loyalty to its Investors when it votes proxies. The Adviser generally will not vote proxies in situations where it holds an immaterial position (less than or equal to 1% of outstanding voting equity), or when the Adviser receives a proxy for a security which it no longer holds in the portfolio of any of the Funds.

Absent good reason to the contrary, the Adviser will generally give substantial weight to management recommendations regarding voting, and will vote for routine matters in favor of management proposals. Non-routine matters will be voted on a case-by-case basis, given the complexity of many of these issues. Where there is a measurable change in the structure, management, control or operation of the company, or a change that is inconsistent with industry standards and/or the laws of the state of incorporation applicable to the company, the Adviser will generally vote against such proposals.

Investors in the Funds may not direct the Adviser's vote in any proxy solicitation.

Potential conflicts of interest between the Firm and the Fund(s) may arise when the Firm's relationships with an issuer or with a related third party actually conflict, or appear to conflict, with the best interests of the Fund(s). If the issue is specifically addressed in the Adviser's proxy voting policies and procedures, the Adviser will vote in accordance with the stated policies. In a situation where the issue is not specifically addressed in the policies and an apparent or actual conflict exists, the Adviser shall either: i) delegate the voting decision to an independent third party; ii) inform the Investors of the conflict of interest and obtain advance consent of a majority of such Investors for a particular voting decision; or iii) obtain approval of a voting decision from the PAC. In all such cases, the Adviser will make disclosures to clients of all material conflicts and will keep documentation supporting its voting decisions.

Clients may obtain a copy of the Adviser's complete proxy voting policies and procedures upon request. Clients may also obtain information from the Adviser about how it voted any proxies on behalf of their account. Please contact the Adviser's CCO, Jeff Faber, at 212 201-7800 or by email at jfaber@trafelet.com.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Adviser's financial condition. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.