

## Delos Capital Management, LP

101 Fifth Avenue, Suite 601  
New York, NY 10003

(212) 257-4447  
<http://www.deloscap.com/>

**June 29, 2015**

This brochure provides information about the qualifications and business practices of Delos Capital Management, LP (“**Delos**,” “**we**,” “**us**,” “**our**” or the “**Firm**”). If you have any questions about the content of this brochure, please contact Sanjay Sanghoo, our Chief Compliance Officer (“**CCO**”) at (212) 257-4447 or by e-mail at [sanjay.sanghoo@deloscap.com](mailto:sanjay.sanghoo@deloscap.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Additional information about the Firm also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

**Item 2: Material Changes**

---

This is the initial filing of the Form ADV Part 2A for the Firm and as such, there are no material changes to report. In the future, this Item will discuss only specific material changes that were made to the brochure and will provide a summary of such changes.

**Item 3: Table of Contents**

---

Item 1: Cover Page .....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business .....	4
Item 5: Fees and Compensation .....	4
Item 6: Performance-Based Fees and Side-By-Side Management .....	5
Item 7: Types of Clients.....	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9: Disciplinary Information .....	10
Item 10: Other Financial Industry Activities and Affiliations.....	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Item 12: Brokerage Practices .....	11
Item 13: Review of Accounts .....	12
Item 14: Client Referrals and Other Compensation .....	12
Item 15: Custody.....	12
Item 16: Investment Discretion.....	13
Item 17: Voting Client Securities.....	13
Item 18: Financial Information.....	13

---

**Item 4: Advisory Business**

---

Delos is an investment adviser that provides investment advisory services to Delos Investment Fund, LP (the “**Fund**”, or “**Client**”) and other private pooled investment vehicles (collectively with the Fund, the “**Funds**” or “**Clients**”). The Firm is a limited partnership organized under the laws of Delaware.

The limited partners in the Fund are the “**Investors**.” Delos Fund GP, LLC is the “**General Partner**” of the Fund. Matthew Constantino and Andrew Schweibold are the principal owners of the Firm.

The Fund is managed in accordance with its own investment objectives, strategies, restrictions, and guidelines and is not tailored to the needs of any individual Investor. Information about the Fund can be found in its offering documents (the “**Offering Documents**”).

As of March 31, 2015, the Firm’s regulatory assets under management were approximately US\$326,932,295, all of which are managed on a discretionary basis.

---

**Item 5: Fees and Compensation**

---

We generally are compensated for our advisory services to the Fund based on a percentage of assets under management and performance-based amounts.

**Management Fee**

The Fund generally pays us an annual advisory fee (“**Management Fee**”) equal to 2.0% of the capital commitments during a specified investment period. Following the end of the investment period, the Management Fee of the Fund is equal to 1.5% of the funded capital commitments.

We have waived or reduced the Management Fee for certain Investors and may in the future agree with other Investors or prospective investors to waive, reduce or otherwise alter the Management Fee. The Management Fee charged by the Fund may be reduced by all or a portion of any origination, transaction, break-up or similar fees that we may receive as described in the Offering Documents.

The Management Fee is payable quarterly in advance from drawdowns of the Investors’ unfunded capital commitments. There can be no assurance as to when capital will be invested or that the entire capital commitment of an Investor will be invested by the Fund.

**Carried Interest**

The General Partner, an affiliate of the Firm, is apportioned carried interest distributions from the Fund (“**Carried Interest**”) based on the net cash proceeds attributable to the Fund’s investments. We have waived or reduced the Carried Interest as to certain Investors and may in the future agree with an Investor or prospective Investor to waive, reduce or otherwise alter the Carried Interest.

The Carried Interest is typically 20% of the profits earned by the Fund. Investors and prospective investors should refer to the Fund’s Offering Documents for additional or supplementary information regarding the Fund as well as the fees paid by the Fund.

**Expenses***Organizational Expenses*

The Fund will bear all legal and other expenses incurred in the formation of the Fund and the offering of the interests up to an amount of \$750,000. Organizational expenses in excess of this amount, and any placement fees, will be paid by the Fund but borne by the Firm through a 100% offset against the Management Fee.

*Operating Expenses*

The Firm will pay all normal operating expenses incidental to the provision of the day-to-day administrative services to the Fund, including its own overhead. To the extent practicable, third-party costs will be charged to the Fund and its portfolio companies. The Fund will pay all costs, expenses and liabilities in connection with its operations, including: fees, costs and expenses related to the purchase, holding and sale of portfolio investments (to the extent not reimbursed); expenses incurred in connection with transactions not consummated; maintenance of books and records; transaction fees; travel costs; research and other trading costs; expenses of internal staff of Delos and its affiliates; insurance premiums; taxes; fees and expenses of accountants, counsel, advisers, finders, search companies and consultants; costs and expenses of the advisory committee and the annual meeting; litigation expenses; and other extraordinary expenses.

The Firm and its affiliates may charge the Fund and its portfolio companies transaction fees, monitoring fees, advisory fees, break-up fees and other similar fees. An amount equal to 100% of all such fees, and 100% of all directors' fees paid by portfolio companies that are received by the Firm, its affiliates or any of their employees, net of any unreimbursed expenses incurred by the Firm or its affiliates in connection with unconsummated transactions, will be applied to reduce the Management Fee otherwise payable. All such fees will be allocated among the Fund and any related co-investing entities on the basis of capital committed by each to the relevant investment. Management Fee reductions will be carried forward if necessary.

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

---

As described above, we receive performance-based compensation in the form of Carried Interest distributions from the Fund. For a discussion of our Carried Interest and performance-based compensation received from the Funds, please refer to Item 5 above. Compensation based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Investment Advisers Act of 1940, as amended ("**Advisers Act**").

Performance-based compensation may create an incentive for Delos to make investments that are riskier than it would otherwise make.

**Item 7: Types of Clients**

---

We deem the Fund to be our Client. Investors in the Fund may include a variety of institutional investors and high-net-worth individuals satisfying the exceptions and exemptions under which the Fund operates. We require prospective investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment.

The minimum initial investment in a Fund is generally \$5,000,000; however, lesser amounts may be accepted in our sole discretion. Generally, the limited partnership agreement has restrictions on raising successor funds until the specified investment period ends or until existing funds are sufficiently invested; however, parallel funds may be created for Investors with certain investment requirements. Our Investors must be “accredited investors” under Regulation D of the Securities Act of 1933 (the “**Securities Act**”), as amended, be able to enter into a performance fee arrangement under the Advisers Act (i.e., qualified clients under Rule 205-3 of the Advisers Act) and be “qualified purchasers” under Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

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

---

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

The Fund targets equity returns by investing in complicated processes through control buyouts, strategic partnerships and distressed buyouts in companies with approximately \$10 to \$30 million of EBITDA. The Fund focuses on the chemicals, packaging, industrials, and consumer sectors.

Delos invests primarily in equity securities that provide control over key decisions at the portfolio level, yet will maintain flexibility to invest through alternative securities with a specific objective of achieving equity-like returns and substantive control in each investment. While Delos will be more flexible and opportunity-driven than traditional lower-middle market private equity funds, the investment team will also bring large-cap private equity perspective, innovative solutions, and best practices to targeted lower-middle market companies.

Delos expects to invest capital in companies in well-established businesses with high return on invested capital in the chemicals, packaging, industrials, and consumer sectors. The Fund will focus on complex situations, including capital structure complexities, comprehensive structured solutions, asset-specific complexities, multi-party negotiations (debt and equity), niche business models, and governance challenges. Through our deal experience, we have developed strong core competencies in the structuring, negotiation, and execution of such complex processes and have demonstrated the ability to execute on opportunities through all market cycles. In addition, Delos seeks to grow portfolio companies through strategic acquisitions and organic growth investments.

### **Risk of Loss Factors**

Investing in securities involves risk of loss that Investors should be prepared to bear. Investors should consider the following factors before investing in the Fund. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors are urged to consult their professional advisers and review the legal documents for the Fund, including the Fund’s Offering Documents, before deciding to invest.

#### *Speculative Nature of Investments*

The Fund’s investments will be subject to the risks inherent in all private equity investments. Portfolio companies may not be profitable at the time of investment and may experience substantial fluctuations in their operating results. Certain portfolio companies may not have significant operating revenues. The success of some portfolio companies will depend on the

management talents and efforts of one person or a small group of persons whose death, disability or resignation would adversely affect the business. Portfolio companies may have highly leveraged capital structures that make them more vulnerable to adverse financial or business developments than less highly leveraged companies.

#### *Investments in Troubled and Leveraged Companies*

The Fund may invest in securities of financially troubled companies and securities of highly leveraged companies. While these securities are likely to be particularly risky, they also may offer the potential for correspondingly high returns. Under certain circumstances, payments to the Fund and distributions by the Fund to its Investors may be reclaimed if any such payment is later determined to have been a preferential payment.

#### *Significant Positions*

In the event the Fund were to acquire a significant position in a company, the Fund's position could become illiquid due to the thinness of any secondary market for the security and/or the Fund's having obtained inside information regarding the company which could make it difficult from a legal perspective to sell the securities involved. In addition, maintaining a significant position could require the Fund to make various disclosure filings in the jurisdictions in which the subject company's securities are traded.

#### *Multi-Jurisdictional Accounting and Financial Reporting*

The Fund may invest in securities issued by companies located in various jurisdictions and each jurisdiction may have its own system of accounting and financial reporting. The systems may differ from that of the Fund's and from that of each Investor's home country, causing difficulties in reconciling accounting and financial reports.

#### *Minority Investments*

The Fund may make minority equity investments in portfolio companies where the Fund may not be able to protect its investment or to control or influence effectively the business or affairs of such entities. The Fund may be adversely affected by action taken by the owners exerting significant influence and/or control of the portfolio companies in which it invests. Opposition of management or existing shareholders of portfolio companies, especially in the absence of an effective legal framework to protect minority shareholder rights, could jeopardize the Fund's ability to maximize the value of its investments.

#### *Lack of Diversification*

Since the Fund may only make a limited number of investments, and since the Fund's investments generally will involve a high degree of risk, poor performance by a few of the investments or even one investment could severely affect the total returns to the Investors. There is no guarantee that portfolio investments will be completely geographically diversified, so even localized downturns or disruptions in the market could have significant adverse consequences for the Fund's portfolio.

#### *Liabilities Upon Disposition*

In connection with the disposition of an investment, the Fund may be required to make representations about the business and financial affairs of a portfolio company typical of those made in connection with the sale of any business or be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify

the purchasers of such investment or underwriters to the extent that any such representations or disclosure document turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Investors to the extent that the Investors have received prior distributions from the Fund. The limited partnership agreement will include provisions to the effect that if there is any such liability in respect of a portfolio company, it will be funded by the Investors to the extent that they received distributions from the Fund.

#### *Difficulty in Valuing Fund's Investments*

The Fund's investments in many cases will be difficult to value due to various factors, including absence of readily ascertainable market values and limited sources of useful valuation information. In addition, the appraised value of an asset may not always be consistent with, and therefore may be higher or lower than the price at which the asset could ultimately be sold.

#### *Restrictions on Transfer and Withdrawal*

The interests in the Fund offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold without either registration under the Securities Act, any applicable state securities laws and any non-U.S. securities laws, or pursuant to an exemption therefrom. In addition, transfers are subject to the consent of the General Partner (which may be withheld at its sole discretion) and other terms and conditions of the partnership agreement. Investors should be aware that they will be required to bear the financial risks of an investment in the Fund for an indefinite period of time.

There is no public market for the interests in the Fund and none is expected to develop. These interests have not been and will not be registered under the Securities Act or any other securities laws. Moreover, these interests will not be listed on any public exchange; therefore, Investors may not be able to liquidate their investments prior to the end of the Fund's term. Investors may not withdraw capital from the Fund.

#### *Passive Investment*

To safeguard their limited liability, the limited partnership agreement prohibits the Investors (as limited partners) from controlling or managing the affairs of the Fund, including investment and disposition decisions. Investors must rely entirely on the General Partner and the Firm to conduct and manage the affairs of the Fund.

#### *Dependence on Key Personnel*

The Fund's success depends in large part on the performance of the General Partner and the Firm and key employees. The loss of any key personnel could have a material adverse effect on the Fund.

#### *Absence of Regulatory Oversight*

While the Fund may be considered similar in some ways to an investment company, it is not required and does not intend to register as such under the Investment Company Act and, accordingly, Investors are not accorded the protections of the Investment Company Act. Similarly, the Fund does not intend to register in the foreign countries in which it invests and, thus, Investors will not be accorded the protections of those foreign regulatory bodies (if any).



*Political and Economic Conditions*

The Fund's investments may be adversely affected by changes in economic conditions or political events that are beyond its control. For example, a stock market downturn, the outbreak of hostilities involving the United States, or the death of a major political figure may have significant adverse effects on the Fund's investment results. Other factors, such as changes in tax laws, securities laws, bank regulatory policies or accounting standards, may make corporate acquisitions less desirable. Similarly, legislative acts, rulemaking, adjudicatory or other activities of the U.S. Congress, the SEC, the U.S. Federal Reserve Board, the New York Stock Exchange, the Financial Industry Regulatory Authority or other governmental or quasi-governmental bodies, agencies and regulatory organizations may make the business of the Fund less attractive.

*U.S. Tax Risks*

The U.S. federal, state, and local income taxation of partnerships and their partners is extremely complex, involving, among other things, significant issues as to the character, timing of realization, and sourcing of gains and losses. There can be no assurance that the structure of the Fund or of any investment will be tax-efficient to any particular Investor. Prospective investors are urged to consult their tax advisors prior to investing in the Fund with respect to their particular tax situations, including, in the case of tax-exempt and non-U.S. investors, any special issues which an investment in the Fund may raise for such investors.

**Conflicts of Interest**

There will be occasions when Delos and its affiliates may encounter potential conflicts of interest in connection with a Client. There can be no assurance that Delos will resolve any conflict of interest in a manner that is favorable to a particular Client. In addition to the conflicts of interest discussed elsewhere in this brochure, the following discussion discusses certain potential conflicts of interest:

*Carried Interest*

As described in Items 5 and 6, Carried Interest may create incentives to make riskier or more speculative investments on behalf of such investment vehicle than would be the case in the absence of this arrangement.

*Valuations of Investments*

It is possible for there to be situations in which Delos is incentivized to influence or manipulate the valuation of investments. For example, Delos could be motivated to overstate valuation in order to: (i) improve a Fund's track record, (ii) minimize losses from writedowns that must be returned prior to an affiliate receiving carried interest, or (iii) for certain Funds, and to a lesser extent, increase fees due to itself, such as a management fee that is calculated as a percentage of the value of the client assets. The valuation procedures utilized by Delos with respect to its Clients may differ based on the type of security and/or instrument and the observability of market inputs, and may include reliance on analyses of similar companies, recent comparable transactions, and discounted cash flow models.

*Other Fees*

As described in Items 5 and 6, the Firm and its affiliates are entitled to receive fees in connection with the purchase, monitoring or disposition of investments or from

unconsummated transactions. Investors will receive the benefit of certain such fees only as set forth in the Offering Documents of the relevant Client.

*Allocation of Investment Opportunities and Conflicting Fiduciary Duties*

The Firm may establish further Clients with investment objectives, mandates and policies that are substantially similar to those of the Fund.

Delos is permitted to offer co-investment opportunities in its sole discretion, is not expected to offer co-investment with respect to all Fund investments and may allocate any such opportunities in its sole discretion, including for example, on the basis of the size of Investor commitments to the Fund or other funds, vehicles and accounts. The allocation of co-investment opportunities may involve a benefit to Delos including, without limitation, fees or Carried Interest from the co-investment opportunity, and capital commitments to its Clients. Delos may or may not charge Management Fees, one-time funding fees and/or Carried Interest in respect of co-investments, as it determines in its sole discretion. Co-investors generally will not share in broken deal expenses.

*Side Letters*

The General Partner has entered into side letters or other similar agreements with Investors in connection with their admission to the Fund without the approval of any other Investor. The side letters or other similar agreements have the effect of establishing rights under, altering or supplementing the terms of the governing documents of the Fund with respect to one or more such Investors in a manner more favorable to such Investors than those applicable to other Investors. Such rights or terms in any such side letter may include, without limitation, (i) fee and other economic arrangements with respect to such Investor; (ii) excuse or exclusion rights applicable to particular investments or withdrawal rights from the investment vehicle, including without limitation, as a result of an Investor's specific policies or certain violations of federal, state or non-U.S. laws, rules or regulations, (which may materially increase the percentage interest of other Investors in, and their contribution obligations, for future investments and expenses, and reduce the overall size of the Fund); (iii) additional or modified reporting obligations of the General Partner; (iv) waiver of certain confidentiality obligations; (v) prior consent of the General Partner to certain transfers by such Investor; (vi) rights or terms necessary in light of particular legal, regulatory or policy characteristics of an Investor; (vii) additional obligations and restrictions of the General Partner with respect to the structuring of any particular investment in light of the legal, tax and regulatory considerations of particular Investors; and (viii) agreements to assist with the taking or defending of tax positions.

Except as otherwise agreed with an investor, the General Partner does not have an obligation to give Investors notice of any side letters entered into.

**Item 9: Disciplinary Information**

---

Neither we nor any of our management personnel are subject to or have in the past been subject to any criminal or civil action in any domestic or foreign court, and neither we nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

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

---

The General Partner of the Fund is a related entity of Delos. Additionally, Delos CPC Management, LLC, a related entity of Delos, advises a portfolio company and receives a management fee for such services.

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

---

***Code of Ethics & Personal Trading***

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a Code of Ethics and employee investment policy that establish various procedures with respect to investment transactions in accounts in which employees of Delos or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of the Clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Employee Investment Policy; and
- Employees should not take inappropriate advantage of their position at Delos.

In general, employees may not invest in an interest that is included on a restricted list prior to making an investment. In addition, employees are subject to annual and quarterly reporting requirements for such accounts.

Our Code of Ethics is available to Clients upon request.

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

Delos or its related persons may engage in securities transactions with certain Investors or may recommend investments in portfolio companies in which the Firm or a related person has a beneficial or financial interest. Such transactions may include co-investment opportunities in portfolio companies which are offered to some but not all Investors, and/or our advisory personnel or employees. Key personnel of the Firm generally will also be invested directly or indirectly in the funds offered to outside investors, subject to applicable law, and the performance-based compensation and/or management fees payable by such vehicle may be separately negotiated by us. In addition, our assets may be invested in securities of portfolio companies in which one or more other Clients hold positions. We will disclose these potential conflicts of interest to Investors and prospective investors in the Offering Documents of the particular Client.

**Item 12: Brokerage Practices**

---

As an adviser to private equity funds, we do not generally make investments in securities listed on national exchanges. While we primarily make investments directly with private issuers, there may be situations where we place a trade(s) through a broker, particularly if there has been a liquidity event in a portfolio holding. In such an event, we will seek “best execution” in light of the circumstances involved in transactions. In selecting a broker for any transaction, we may consider a number of factors, including, for example, the broker’s reputation, net price or spread, financial strength and stability, market access, efficiency of

execution and error resolution, and the size of the transaction. We will not be obligated to obtain the lowest commission or best net price for a client on any particular transaction.

We will monitor transaction results as orders are executed to evaluate the quality of execution provided by the various brokers and dealers that we use in order to determine that commission rates are competitive and otherwise to evaluate the reasonableness of the commission rates paid to those brokers and dealers in light of all the factors described above. We do not have any formal or informal soft dollar arrangements nor do we receive any soft dollar benefits from any broker, dealer or other counterparty. Additionally, we do not permit Clients to direct brokerage to any particular broker.

### **Item 13: Review of Accounts**

---

#### *Review of Accounts*

We review the Fund's portfolio on a continual basis. We engage in active management of the Fund and, accordingly, review our transactions, positions and cash balances on a monthly basis.

#### *Reporting*

In addition to receiving periodic reports from Delos, such as quarterly unaudited financial statements, each Investor will receive the Fund's audited financial statements within 120 days of such Fund's fiscal year end (see Item 15: **Custody**).

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

---

#### *Compensation by Non-Clients*

We or our affiliates may receive certain fees from portfolio companies in connection with the purchase, monitoring or disposition of investments or in connection with un consummated transactions (e.g., transaction, directors', consulting, management, investment banking, advisory, closing, topping, break-up and other similar fees). A portion of these amounts, net of related expenses, will be credited against the Management Fee payable to us by the Fund.

#### *Compensation for Client Referrals*

This item is not applicable.

### **Item 15: Custody**

---

We do not provide custodial services to the Fund or our Investors. In addition, we will not maintain physical possession of the Fund's cash or securities.

Because we have access to the Fund's cash or securities as part of our normal investment and operating functions, we are deemed to have "custody" under the Advisers Act. To ensure compliance with Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"), we will be required to provide all Investors with audited financial statements for the Fund within 120 days of the Fund's fiscal year end. In addition, the audited financial statements must be audited by an independent accounting firm that is registered with, and subject to review by,

the Public Company Account Oversight Board in accordance with U.S. Generally Accepted Accounting Principles (“**U.S. GAAP**”). Investors and prospective investors should carefully review the audited financial statements of the Fund.

---

**Item 16: Investment Discretion**

---

Subject to any investment restrictions set forth in the Offering Documents, we have discretionary authority to make the following determinations without obtaining the consent of the Fund or Investor before the transactions are effected:

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

Our discretionary authority is derived from our authority as the investment manager of the Fund and pursuant to an investment management agreement entered into by Delos, the General Partner and the Fund.

---

**Item 17: Voting Client Securities**

---

Although infrequent, when necessary we will vote proxies/corporate actions of companies in which the Fund invests. The proxies/corporate actions are reviewed and analyzed by our investment professionals. Prior to voting, we will make a determination, in our opinion, as to what vote is in the best interest of the Fund. We will maintain a written record of the proxy/corporate action vote on each occasion that a vote is required.

Upon request, we will provide our Clients and prospective clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by the Fund.

---

**Item 18: Financial Information**

---

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual obligations to our Clients.