

Part 2A of Form ADV: *Firm Brochure*



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This brochure provides information about the qualifications and business practices of Delta Partners, LP (hereinafter “Delta”, the “Firm”, “we” or “our”). If you have any questions about the contents of this brochure, please contact us at (617) 526-8939 or at rebecca.rogers@deltamgt.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.*

Additional information about Delta is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Delta is 114681.

Registration with the Securities and Exchange Commission does not imply a certain level of skill or training.

Item 2. Summary of Material Changes

This Brochure includes numerous changes relative to our Brochure dated March 30, 2017.

In general, we have made revisions throughout in order to provide our investors with a more simplified, plain English presentation and one aligned with our revised Confidential Offering Memoranda and revised organizational documents for some of the Funds that we manage. In light of the number of changes, we encourage you to read the full Brochure. We call your attention in particular to the following changes:

Item 4.

We have included updated descriptive information for our private investment funds, Prism Partners, L.P. and Prism Offshore Fund, Ltd. (including holdings of the “Specified Position” (formerly referred to as the “non-U.S. equity”) and the creation of the “Special Investment” in relation to Prism Partners, L.P.). We have stated that Prism Offshore Fund, Ltd. is in voluntary liquidation. We have provided information about a second non-U.S. Equity which constitutes a large concentrated position in Prism Partners, L.P. and Prism Offshore Fund, Ltd. and is also held by Delta Growth Master Fund, L.P. We have also included information relating to new private investment funds, Delta Growth Master Fund, L.P. and its feeder fund Delta Growth Partners, L.P. We have provided additional information about potentially providing more advantageous terms to some investors and about potential co-investments. We have provided updated information about the level of assets that we manage. We have made several editorial changes.

Item 5.

We have revised to reflect changes in fees for Prism Partners, L.P. and to reflect fee information relating to Delta Growth Master Fund, LP and Delta Growth Partners, L.P. We have also revised to reflect current withdrawal fees and provide additional information about expenses. We have added information about our interest, as Fund manager, in the valuation of Fund assets and about receipt of compensation by our principal for service as a director. We have made several editorial changes. .

Item 6.

We have made editorial changes.

Item 7.

We have made editorial changes.

Item 8.

We have revised this section substantially. We have included important updates regarding our methods of analysis and enhanced information relating to the investment strategies followed by our Funds and the risks of loss associated with those strategies. In particular, we have provided enhanced information relating to our large concentrated positions in general, as well as the Specified Position and the Second Non-U.S. Equity Position, and the liquidity risk associated with these positions. We have provided information about Mr. Jobson's service on a board of directors and the potential conflict created by that service.

Item 10.

We have provided information about Mr. Jobson's service on a board of directors. We have made editorial changes.

Item 11.

We have made editorial changes and updated information relating to the Specified Position. We have provided additional information regarding Mr. Jobson's interest in the Specified Position and in the Funds.

We have provided information about Delta Partners LP's anticipated receipt of a transfer of shares in-kind from the Offshore Fund. We have made editorial changes.

Item 12.

We have revised to reflect research services currently being purchased with commissions paid by the Funds and provided additional information about our procedures for acquiring such research. We have revised to reflect that prime brokers to a Fund provide financing and on occasion other services to Delta including capital introduction. We generally have updated items and have made editorial changes.

Item 13.

We have made editorial changes.

Item 14.

We revised to state that under some circumstances, we consider the fact that a broker-dealer has made investor referrals in selecting a broker-dealer to provide services to a Fund.

Item 17.

We are not conducting periodic reviews of the relationship between issuers generally and Delta, as we did not find that to be efficient, and have made corresponding revisions. We also have made editorial changes.

Item 3. Table of Contents

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Item 4. Advisory Business

Delta Partners, LP is an SEC-registered investment adviser with its principal place of business in Boston, Massachusetts. Delta began conducting business in 1999. Delta Partners GP, LLC is the Firm's general partner. Charles Jobson is owner and principal of Delta Partners, LP and managing member and principal owner of Delta Partners GP, LLC.

Our Firm offers the following advisory services:

Investment Management Services

Private Fund Management

Our Firm provides discretionary investment management services to clients, which currently are private investment funds, based on the individual needs and investment objectives of the client. Currently, Delta serves as investment manager to four private investment funds: Prism Partners, L.P. ("Prism LP"), Prism Offshore Fund, Ltd. ("Prism Offshore"), Delta Growth Master Fund L.P., ("Delta Growth Master") and feeder fund Delta Growth Partners, L.P. ("Delta Growth Partners") (together, "Delta Growth"). Reference below to "the Funds" or "Clients" includes the private funds listed above.

The Funds are managed by Delta on a discretionary basis in accordance with the investment objectives and policies set forth in each Fund's Confidential Offering Memorandum and advisory agreement. The Funds invest directly in individual equities, debt instruments, and other investments. Delta takes several factors into account when deciding which equities and other investments to purchase or sell, but the investment strategy and specific objectives of the Funds are the predominant factors.

Prism Partners, L.P., a Delaware limited partnership, with two series. Delta Advisors, LLC ("Delta Advisors"), an affiliate of Delta, serves as general partner of Prism LP. Delta Advisors is primarily owned by Mr. Jobson. Delta Advisors is a "relying adviser" that is registered with the SEC as an adviser in reliance on the registration of its affiliate, Delta.

Prism LP has segregated 96% of its position in one non-U.S. equity security (the "Specified Position") solely for the benefit of partners in Prism LP as of April 30, 2017, with respect to then-existing capital (the "Special Investment"). See Item 8 ("Methods of Analysis, Investment Strategy, and Risk of Loss" / "Risk of Loss / Concentrated Portfolio; Large Position in Single Non-U.S. Equity") and Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" / "Potential Conflict of Interest Created by Substantial Personal Holdings"). Additional capital contributed after April 30, 2017 will not be invested in the Special Investment. Prism LP continues to own shares of the Specified Position in addition to shares held as a Special Investment.

An investor in the Special Investment may redeem from the Special Investment without redeeming from Prism LP and may redeem from Prism LP without redeeming from the Special Investment.

Prism LP also has a large concentrated position in a second non-U.S. Equity (the “Second Equity Position”). *See* Item 8 (“Methods of Analysis, Investment Strategy, and Risk of Loss” / “Risk of Loss / Concentrated Portfolio; Large Positions in Two Non-U.S. Equities”).

Prism Offshore, a Cayman Islands exempted company, has two classes of shares. Prism Offshore owns shares of the Specified Position and shares of and other interests in the Second Equity Position. *See* Item 8 (“Methods of Analysis, Investment Strategy, and Risk of Loss” / “Risk of Loss / Concentrated Portfolio; Large Position in Two Non-U.S. Equities”) and Item 11 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” / “Potential Conflict of Interest Created by Substantial Personal Holdings”). Prism Offshore is liquidating.

Delta Growth Master Fund L.P., a Cayman Islands limited partnership, is the master fund to feeder fund Delta Growth Partners, L.P. a Delaware limited partnership. Delta Advisors serves as general partner of each of Delta Growth Master Fund, L.P. and Delta Growth Partners, L.P. Delta Growth Partners has two series. Delta Growth Partners is expected to invest substantially all of its assets in Delta Growth Master. The Delta Growth funds were launched as of May 1, 2017, with funds invested by Delta Advisors. The Delta Growth funds own shares of the Specified Position and shares of the Second Equity Position. *See* Item 8 (“Methods of Analysis, Investment Strategy, and Risk of Loss” / “Risk of Loss / Concentrated Portfolio; Large Position in Two Non-U.S. Equities”) and Item 11 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” / “Potential Conflict of Interest Created by Substantial Personal Holdings”).

The minimum initial subscription amount for each Fund is set forth in the Fund's Confidential Offering Memorandum.

Mr. Jobson directly or indirectly beneficially owns substantial positions in each of the Funds. *See* Item 11 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” / “Potential Conflict of Interest Created by Substantial Personal Holdings”).

Delta, Delta Advisors and the Funds may enter into agreements with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in a Fund’s Confidential Offering Memorandum or advisory agreement. Such terms may include special rights to make future investments in a Fund, other investment vehicles, including co-investment vehicles, or managed accounts, enhanced liquidity terms, transparency rights and/or reduced fee structures resulting in such investors obtaining more favorable terms for investment. Delta may also provide additional information (special reporting) by special agreement with investors. These investors will be privy to certain information regarding one or more of the Funds that may not be available to other investors or

that may be available at a later date to other investors. Such investors may make investment decisions with respect to the Funds based on such knowledge. There are no such agreements at present that provide special rights to make future investments in a Fund, other investment vehicles or managed accounts, enhanced liquidity terms, enhanced transparency rights, or special reporting. The Firm has discretion with respect to the allocation of any and all co-investment opportunities

The Funds' portfolio holdings may include, without limitation, exchange-listed and over-the-counter securities, option contracts on securities, no-load or load-waived mutual funds, exchange traded funds, corporate debt securities, non-U.S. securities, United States governmental securities, certificates of deposit, warrants and rights, commercial paper, and municipal securities, preferred stock, sovereign debt, bank debt, convertible securities, swaps, futures contracts, forward contracts, commodities, and other derivative instruments, partnership interests, private securities and other securities or financial instruments including those of investment companies and venture capital investments.

Separately Managed Accounts

Delta may also accept separately managed accounts at any time. Advisory fees, incentive amounts, minimum investment levels and other terms are negotiable. Such accounts may be managed using the same strategy as is used in managing the Funds or a different strategy.

Amount of Managed Assets

As of November 30, 2017, we were managing, on a discretionary basis, \$417,615,927 of net client assets and our regulatory assets under management were \$776,137,994.

Item 5. Fees and Compensation

Compensation to Delta and Affiliates

Prism Partners, LP –

Holders of Series A interests generally pay a management fee of 37.5 basis points each quarter, calculated as of the first business day of each quarter using the beginning Net Asset Value before deduction of the performance allocation. Holders of Series B interests pay generally a management fee of 31.25 basis points each quarter, calculated as of the first business day of each quarter using the beginning Net Asset Value before deduction of the performance allocation. The management fee is payable in advance. Some holders who invested prior to 2006 pay a lower management fee.

Delta Advisors, as general partner of Prism LP, receives an annual performance allocation equal to 20% of each holder's net realized and unrealized profits for the year, adjusted for net losses

incurred by such holder in prior years, as more fully set forth in Confidential Offering Memorandum.

A holder of interests in Prism LP may withdraw all or part of its capital account, subject to withdrawal restrictions, by the means and in the amounts set forth in the Confidential Offering Memorandum. Holders of Series A interests are subject to a 4% withdrawal fee under certain circumstances. Holders of Series B interests are not subject to a withdrawal fee. Withdrawal fees are payable to Prism LP.

Prism Offshore Fund, Ltd –

Holders of each class of shares pay a management fee of 50 basis points each quarter. Delta also receives an annual performance fee equal to 20% of the aggregate net realized and unrealized profits allocable to each share, adjusted for net losses incurred in prior years. Shareholders are subject to a 4% redemption fee under certain circumstances. The redemption fees are payable to Prism Offshore Fund. The determination of the annual performance fee and withdrawal terms are more fully set forth in the Confidential Offering Memorandum. Prism Offshore has entered into voluntary liquidation due to the large amount of deferred fees payable at the end of 2017.

Delta Growth Partners, L.P. -

Holders of Series A interests will pay a management fee of 37.5 basis points each quarter, calculated as of the first business day of each quarter using the beginning Net Asset Value before deduction of the performance allocation. Holders of series B interests will pay a management fee of 31.25 basis points each quarter, calculated as of the first business day of each quarter using the beginning Net Asset Value before deduction of the performance allocation. The management fee will be payable in advance.

Delta Advisors, as general partner of Delta Growth Partners, will receive an annual performance allocation equal to 20% of each limited partner's net realized and unrealized profits for the year, adjusted for net losses incurred by such limited partner in prior years. The determination of the performance allocation is more fully set forth in the Confidential Offering Memorandum

A holder of interests in Delta Growth Partners may withdraw all or part of the holder's capital account, subject to withdrawal restrictions, by the means and in the amounts set forth in the Confidential Offering Memorandum. Holders of Series A interests are subject to a 4% withdrawal fee under certain circumstances. Holders of Series B interests are not subject to a withdrawal fee. The charge is credited pro rata to holders of interests in Delta Growth Master Fund. Delta Growth Partners' portion of the withdrawal charge will be credited pro rata to all other partners. The initial limited partner is an affiliate of Delta Growth and does not pay management and performance fees.

It is possible that one Fund managed by Delta may invest in another Fund managed by Delta. In order to minimize potential conflicts of interest, the Recipient Fund will not charge any management fee or incentive allocation on the Investing Fund's investment. Any withdrawal or transfer by the Investing Fund from the Recipient Fund generally will be permitted on the same terms as other limited partners and will be subject to the same limitations applicable to withdrawals (*e.g.*, notice, suspension of withdrawals, etc.).

Potential Conflict with Respect to Valuation

Delta and affiliates have certain responsibilities with respect to valuing securities and other assets of the Funds. A conflict exists with respect to these responsibilities because valuation affects the fees and allocations or incentive fees received by Delta and affiliates.

Separately Managed Accounts

Fees and account minimums for all separate account services are negotiable based upon certain criteria (*i.e.*, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Discounts, not generally available to our advisory clients, may be offered to family members, employees, affiliates and friends.

We may group certain related client accounts for the purposes of determining the account size and/or annualized fee.

Advisory services provided through separately managed accounts may be available from other advisers for similar or lower fees.

Under no circumstances will we receive fees in excess of \$1,200 more than six months in advance of services rendered to the Funds or to separately managed accounts.

Additional Fees and Expenses

In addition to advisory fees paid to our Firm, Funds are responsible for all costs and expenses related to its investments and operations, including, without limitation, all transaction costs relating to a Fund's investments (including, without limitation, expenses related to the investments of a Fund's assets, such as brokerage commissions and other transaction costs, research, due diligence and negotiation expenses (including related travel expenses), whether or not the related investment is consummated; clearing and settlement charges, custodial fees, margin and interest expenses and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, and any issue or transfer taxes chargeable in connection with any securities transactions); consulting, legal and other professional fees relating to potential and actual investments, expenses of professionals providing services to a Fund, including legal, audit and tax preparation expenses; accounting fees; administration fees and expenses (including fees and expenses of a Fund's administrator); fees and expenses for risk management services;

insurance expenses, including costs of any liability insurance obtained on behalf of a Fund (including, without limitation, directors and officers insurance and errors and omissions insurance), regulatory costs and expenses (including filing and license fees and preparation and submission of filings and licenses, including without limitation, Form PF preparation and filing fees), costs of reporting and providing information to investors, any entity-level taxes, costs of any litigation or investigation involving Fund activities, indemnification expenses, any extraordinary expenses, and all other costs and expenses related to a Fund's business and operations.

Information about fees and expenses relating to a Fund is more fully set forth in the Confidential Offering Memorandum. Please refer to Item 12 ("Brokerage Practices") for information regarding our brokerage practices.,

Mutual Fund and ETF Fees and Expenses

There are two layers of fees when we invest Fund assets in ETFs and mutual funds. All fees paid to our Firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses charged by such funds are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. An investor could invest in a mutual fund or an ETF directly, without the services of our Firm. In that case, the investor would not receive the services provided by us which are designed, among other things, to assist in determining which mutual fund or funds or ETFs are most appropriate.

Directors' Fees

Good Times Restaurants, Inc., a portfolio company whose shares are owned by each of the Funds, will compensate Mr. Jobson for his service as a director beginning in fiscal year 2018. Compensation is expected to be in the amount of \$3,750 per quarterly board meeting attended. At this time, we do not know if Mr. Jobson will receive additional compensation, such as options to purchase stock of Good Times Restaurants, Inc.

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

As stated in Item 5 ("Fees and Compensation"), Delta or its affiliates receive a performance-based fee, in connection with the management of the Funds. The fee is in the form of an annual performance allocation or fee equal to each investor's net realized and unrealized profits for the year, adjusted for net losses from certain clients. We currently do not have clients which do not pay performance-based fees.

A performance-based fee arrangement creates an incentive for us to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement.

Item 7. Types of Clients

As stated in Item 4 (“Advisory Business”), we currently provide advisory services solely to the Funds.

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

Methods of Analysis

We use one or a combination of methods of analysis in connection with investment decision-making, including:

Fundamental Analysis. Delta’s core investment philosophy is to add value through rigorous fundamental analysis, financial modeling, and due-diligence.

Technical Analysis: Technical analysis seeks to identify price patterns and trends in financial markets and attempts to exploit those patterns. We follow and examine such indicators as price, volume, moving averages of the price, and market sentiment.

Cyclical Analysis: Cyclical analysis concentrates on business cycles as well as asset market cycles, examining alternating phases of rises (expansion) and falls (contraction) in volumes, prices and returns.

Quantitative Analysis: We use mathematical models in an attempt to obtain more accurate measurements of a company’s quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

Qualitative Analysis: We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

The Funds’ Confidential Offering Memoranda provide additional information about our modes of analysis.

Investment Strategies

Investment Objectives

The Funds’ primary investment objectives are to seek to maximize long-term total return by investing in concentrated portfolios primarily of publicly traded long and short U.S. and non-U.S. equities. See “Risk of Loss / Concentrated Portfolio; Large Position in Two Non-U.S. Equities”, below, for additional information about the Prism Funds current concentrated positions in the Specified Position. The Funds aim to maximize long-term total returns in variable market and economic conditions. Delta’s investment philosophy is to add value through

rigorous fundamental analysis, financial modeling, and due-diligence. We expect to invest in companies across the market capitalization spectrum, including small-, mid- and large-capitalization stocks. We will not typically alter our investment approach for the purpose of achieving short term results for the Funds and may hold a concentrated position in one or more issuers for an extended period of time.

Investment Selection and Portfolio Construction

We generally develop a comprehensive investment thesis for each prospective Fund investment using primarily fundamental analysis. Validating the investment thesis is a painstaking process typically involving interviews with management and industry participants where available. We find that this process will often reveal small or subtle factors that may alter whether an otherwise valid investment thesis can generate the high risk adjusted return that the Funds require. As a result, we regard detailed and careful verification of assumptions as a critical path to substantiate investment decisions. To seek to maximize the effectiveness of its research efforts, we typically follow a limited number of industries and companies, enabling us to focus its analytical efforts.

Investments will be made in a wide variety of valuation categories, but “growth at a reasonable price” will be the Funds’ most prevalent investment strategy. We believe that growth companies often face periods of uncertainty when the market consensus doubts the ability of the issuer to continue growing its earnings stream at historic or desired rates. These situations provide the opportunity to purchase equity in quality growth companies for reasonable prices. In the long term, we believe that the price of a stock equals the discounted present value of the company’s future earnings stream. Growth stocks with rising earnings will generally have stock prices which rise in-line with this growth. In addition, firms with rising earnings and reasonable valuations are candidates for price/earnings, cash flow or price-to-book value multiple expansion. We believe that the best equity market performers are usually stocks that have rising earnings estimates and expanding multiples.

Short selling is an investment technique that we believe offers opportunities in all market conditions, and therefore is used frequently in pursuing the Funds’ objectives. Market inefficiencies in connection with short selling may create over-valuations, of which the Funds seek to take advantage. Identifying overvalued situations is only one element of successful short selling. In addition to overvaluations, model, marginal management team, inappropriate capital structure, negative free cash flow, negative industry trends, or deteriorating underlying fundamentals. We apply our fundamental research process to short investments using these criteria as the investment thesis for a short sale. Additionally, we typically search for a catalyst which we expect will drive a valuation change in a stock. In an effort to maximize returns, we employ leverage as a normal course of our strategy. We believe that leverage will allow the Funds to enhance returns commensurate with the additional risk. We employ leverage to the extent that we believe its use can substantially exceed the costs and risks of leverage. If we are

unable to identify value-added investment ideas that provide a significant margin of safety over the cost of Fund capital, then we do not employ leverage.

We generally concentrate investments in a limited number of securities. We attempt to control risk through knowledge and analysis of each investment. Since risk is uncertain, we attempt to minimize uncertainty through a detailed information gathering process. The amount of portfolio concentration will be correlated to our conviction in the current investments and the Funds' number of holdings may substantially increase at our discretion. Accordingly, the Funds' portfolios are not expected to be diversified. As part of its strategy with respect to equity investments, we may seek to influence management through dialogue with company executives or board members. We may also seek board representation to influence corporate strategy and/or capital allocation decisions. There is no guarantee that such efforts will be successful.

While we focus predominantly on long and short equities, the Funds may pursue complementary investment strategies to seek to enhance portfolio returns. Complementary strategies may include, without limitation, value-based investments, asset value plays and turnarounds.

Value based trades will focus on compelling differentials between an issuer's intrinsic value as a business, or of certain of its assets, combined with an identifiable catalyst for market recognition of that value. Such changes can be related to management, financing or business fundamentals. Certain changes, such as in the fundamental structure or regulatory burden of an industry, can cause securities to leapfrog from the value to the growth category. Investments such as these may rise in price due to both growing earnings streams and expanding valuation multiples. We believe that value trades are safer in larger stocks, where the market's recognition of value is less likely to be impeded by stock liquidity issues.

Investing in turnaround and bankruptcy reorganization situations is dependent upon identifying opportunities for new management or improved capital structures to revive under-performing firms, and accurately evaluating management's ability to succeed in doing so. Since turnarounds and bankruptcy reorganization investments are not the cornerstone of our investment philosophy, we expect to pursue these areas only when we have a very high confidence level in achieving superior returns.

In general, the investment strategy has been structured to provide Delta with flexibility to achieve the Funds' investment objectives. In order to maintain flexibility and to capitalize on investment opportunities as they arise, we are not required to invest any particular percentage of a Fund's portfolio in any type of investment or region, and the amount of a Fund's portfolio that is invested in any type of investment or strategy, whether long or short, or which is weighted in different countries or different sectors, can change at any time based on, among other factors, the availability of attractive market opportunities. Accordingly, the Funds' investments may at any time include long or short positions in U.S. or non-U.S., publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, sovereign debt, corporate

debt, bonds, notes or other debentures or debt participations, convertible securities, swaps, options (purchased or written), futures contracts, commodities and other derivative instruments, partnership interests and other securities or financial instruments including those of investment companies and venture capital investments.

Types of Equity Investments

Delta pursues equity investment opportunities in a variety of categories which include, but are not limited to, the following:

Growth Stocks. Stocks of companies with a long-term record of growth may become underpriced due to a temporary lull in a company's growth rate or a variety of other reasons. Investors with a short time horizon may sell these securities, providing opportunities for investors with a longer time horizon. Industry factors may also cause the growth rate of a company to rise or fall. Changes in end-product demand, new products, new markets or extraneous factors may provide unanticipated growth for companies, which in turn should benefit investors who anticipate such factors early in their development.

Undervalued Equity Securities. Opportunities in undervalued equity securities arise from market inefficiencies, or because of a lack of wide recognition of the potential impact (positive or negative) that specific events or trends may have on the value of a security. These events may include new customers or products, or trends to which an issuer is particularly sensitive, such as interest rate movements, commodity prices, regulatory changes or trade balances. We believe that market inefficiencies are more likely to be found when companies have a small market capitalization, are not well covered by research analysts or are in industries that are out of favor.

Non-U.S. Securities. We monitor value investment opportunities in capital markets outside of the United States. Investment decisions will be based upon similar criteria as those employed in domestic markets with additional consideration being given to currency risk as well as the host country's political, regulatory and tax environment. We may hedge perceived foreign currency risk where appropriate.

Small and Newer Companies. While it is expected that the majority of portfolio investments will be listed and traded on a securities exchange, others may be smaller and younger than companies traded on the major stock exchanges. Shares of these companies may be more volatile than those of larger exchange-listed companies. New or improved products or other developments may have a substantial impact on the earnings and revenues of such companies, and any such positive and negative news could have a corresponding effect on the value of its shares. For these reasons, when a Fund holds a substantial position in these companies, the net asset value of the Fund may be more volatile. The Funds may not be appropriate for short-term investors.

Portfolio Management Techniques

Delta employs certain active investment management techniques including options on securities and securities indices and derivatives. These techniques may be employed in an attempt to hedge risks associated with the Funds' portfolio securities, or for profit. Investment and trading techniques which are utilized by Delta also include, without limitation, the following:

Long and Short Positions. We invest in both long and short positions. We believe that short positions can offer both superior return and hedging opportunities and may help offset the risks of adverse correlation shifts. Since we generally select investments using bottom-up fundamental research and do not always pair investments against one another or within the same industry or sector, a portfolio's short positions may not serve as efficient hedges to its long positions. While we also implement short investments for hedging purposes, market events can cause shifts in correlation structures that can result in simultaneous losses on both the long and short side of the portfolio. Differences in performance can arise from various factors such as market capitalization, sector popularity, geographic location, interest rate movements, currency fluctuations and changes to company growth rates. We regularly monitor the portfolio's long and short exposure in an effort to maintain a favorable risk/reward relationship in Fund portfolios.

Concentrated Portfolio. We expect to substantially concentrate the Funds' long portfolios in a small number of positions. In general, concentration magnifies the effect of positive or negative developments with respect to a portfolio security and increases the probability of greater gain or loss. We provide to Fund investors each month certain summary information about a Fund's portfolio, including information about concentration.

Leverage. We use leverage to create a larger and broader portfolio of investments for the Funds. Leverage will significantly amplify the effect of gain or loss on a Fund.

Options and Other Contracts. We engage in various types of options and derivative security transactions, including hedging in equity and index options (both puts and calls) to reduce the risk of both short and long positions. We may invest in options when we believe that such options present a more favorable risk/reward profile than directly trading in the underlying security. We may establish similar positions by entering into "swaps" or other contracts with a financial institution whereby the parties agree that each will be obligated to the other for the amount of relative increase or decrease in the market value of one or more securities. Such contracts may be used for investment or to hedge risk.

Pair-Trading. Pair-trading consists of buying one security and simultaneously selling short another security within the same industry, or in inversely related sectors or industries. We may engage in pair-trading, either for profit or as a hedging strategy for a

particular position, when we perceive a security to be significantly undervalued or overvalued relative to one of its peers, or to an industry index.

Other Investments

While the Funds invest predominantly in equity investments, we are permitted to invest in debt securities or employ other investment techniques when attractive from a risk-return perspective.

Financially Distressed Issuers. Debt securities of issuers experiencing financial distress present opportunities since the market often does not accurately value the issuer's securities or assess the likely effect of future events. Debt investments may take the form of the purchase of bank loans, equipment leases, trade payables and other traded debt or preferred stock of companies which may undergo Chapter 11 bankruptcy proceedings or other financial reorganizations, exchange offers, liquidations, and other extraordinary transactions. We may also invest in equity securities of such companies. The lack of institutional research coverage, limited investor analysis of a potential restructuring and liquidity requirements or original claim holders may create substantial price differentials between current market value and likely future value.

High-Yield Securities. We believe that high yield investments at times offer a generally lower risk alternative to straight equity investing, given their priority position to common equity in the capital structure. At the same time, such instruments and investments may offer the potential for capital appreciation based on convertibility features, interest rate movements, or improving financial condition of the issuer. When pursuing a high-yield investment, we perform generally the same thorough fundamental analysis that it would otherwise undertake for an equity investment. After doing so, we determine which aspect of the issuer's capital structure is an appropriate investment for a Fund, if any; as such, we generally will invest in high yield securities when we believe that such securities offer improved risk-reward characteristics over the common stock of the issuer. Changes in interest rates and economic cycles, in addition to issuer-specific developments, often produce attractive opportunities to trade in other high-yield securities. These securities may include convertible debt, preferred stock and related instruments. Many issuers of high-yield securities are highly leveraged and have complex capital structures. The securities of such issuers often present attractive investment opportunities due to limited research coverage, a greater than average sensitivity to overall market movements and the analytical challenges involved in determining the fair value of such securities.

Risk Arbitrage. Risk arbitrage involves assessing the probability that an announced transaction will be completed, the timing of such a transaction, and the risk that the terms of the transaction will change. The transaction may be a merger, tender offer, sale, liquidation, spin-off, exchange offer or other form of asset conversion. The decision to initiate a risk arbitrage position will depend upon the price differential or "spread" between the market price and the expected value at consummation, and upon whether or

not the “spread” is large enough to compensate for both the time until closing and the risks associated with the transaction. An investment may also depend on the potential for other buyers to emerge at higher prices. The assessment of probability, risk, valuation and timing requires analysis of business, financial, regulatory, and legal issues specific to each transaction. A risk arbitrage investment may involve long or short positions, or a combination of the two.

Balance Sheet arbitrage. Balance sheet arbitrage consists of the purchase of securities of an issuer coupled with the short sale of other securities of the same issuer in order to take advantage of attractive price disparities within that issuer’s capital structure. For example, we may purchase an issuer’s senior debt securities and sell short the issuer’s equity or subordinated debt securities if we determine that the junior securities are significantly overvalued relative to the senior securities.

Designated Investments

Delta does not currently anticipate that the Funds will purchase assets in the future that are illiquid, restricted or difficult to value such that they should be included as a Designated Investment. However, in certain circumstances, general economic or market conditions may result in certain investments held by a Fund becoming illiquid, restricted or difficult to value such that they should be treated as Designated Investments. The General Partner of a Fund will separately account for such assets from the other assets of the fund for the benefit of the General Partner and the investors at the date of such establishment. In such circumstances, the General Partner has the authority to establish additional series of interests, series or segregated accounts to separately account for Designated Investments from the other assets of the Fund for the benefit of investors at the date of such establishment. Designated Investments may have to be held for a substantial period of time before they can be liquidated, if at all. Market prices for such Designated Investments are often volatile and may not be ascertainable. Designated Investments will represent capital not available for withdrawal.

Cash Balances

The Funds hold or invest any cash balances they may accumulate for investment, reinvestment, or distribution to investors’ money market mutual funds and prime broker cash balance accounts subject to repurchase agreements, interest-bearing bank accounts or other fixed-income securities/instruments. The cash balances of the Funds will vary as Delta may deem advisable. We may also deem it advisable to hold no cash balances whatsoever from time-to-time.

Flexibility

Delta intends to pursue the investment objective described above and will generally follow the outlined investment strategies as long as such strategies are in accord with the Funds’ investment

approaches. We may also formulate new approaches to carry out the overall objectives of the Funds.

The Funds' Confidential Offering Memoranda provide additional information about investment strategies and portfolio management techniques.

Risk of Loss

Investment and Trading Risks. An investment in our Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that a Fund's investment program will be successful. We invest substantially all of the Funds' assets in securities and instruments, which may be particularly sensitive to economic, market, industry, regulatory and other variable conditions. The markets in which we invest for the Funds often experience significant volatility and losses. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Funds.

Concentration of Investments; Large Position in Two Non-U.S. Equities in some Portfolios. We generally concentrate investments for the Funds in a limited number of securities. None of the Funds is expected to be diversified among issuers, sectors, industries, geographic areas, market capitalization or types of securities. Losses incurred in a position making up a significant percentage of a Fund's capital could have a material adverse effect on the Fund's overall financial condition. As a result, the Funds' portfolios are expected to be subject to more rapid change in value than would be the case if the Funds were required to maintain diversification among companies or industry groups. We provide Fund investors with periodic reports that summarize a Fund's concentration in its largest positions and show exposure by country and by industry.

As of November 30, 2017, the largest single position in the portfolios of each of Prism LP (including the Special Investment) and Prism Offshore is the Specified Position, a non-U.S. equity security. As of April 30, 2017, Prism LP segregated 96% of its holdings of the Specified Position for the benefit solely of then-existing partners as a Special Investment. Exclusive of the Special Investment, the Specified Position is less than 4% of the net equity of Prism LP, and is not the single largest position in Prism LP.

As of November 30, 2017, the largest position in the portfolio of Prism LP is the Second Equity Position, which constitutes 45% of the net assets of the Fund.

The Specified Position is approximately 75% of the net equity of Prism Offshore. Delta Partners, which is substantially owned by Mr. Jobson, owns 97% of Prism Offshore through deferred fees. The Second Equity Position is approximately 25% of the net assets of Prism Offshore.

The Specified Position is approximately 2% of the net equity of Delta Growth. The Second Equity Position is approximately 16% of the net assets of Delta Growth.

We currently expect that the Funds, other than Prism Offshore, will continue to hold the Specified Position and the Second Equity Position in the immediate future. Prism Offshore is in liquidation and is expected to transfer to Delta Partners, LP its interests in the Specified Position and a portion of its interests in the Second Equity Position. Moreover, limited partners in Prism LP may elect to sell their interests in the Special Investment independent of their holdings of shares in Prism LP. The Funds collectively own shares of or interests in the Second Equity Position equivalent to roughly 10% of the outstanding shares of the Second Equity Position. *See “Lack of Liquidity of Certain Fund Assets”,* below, for information about the ability of the Funds to sell the Specified Position and the Second Equity Position under some circumstances.

Undervalued Securities. We invest in part in companies that we believe are undervalued. Opportunities in undervalued equity securities arise for various reasons, which may include market inefficiencies or a lack of wide recognition of the potential impact (positive or negative) that specific events or trends may have on the value of a security. The identification of investment opportunities in undervalued securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

Equity Securities Generally. We invest in equity and equity-related securities in the U.S. and other countries. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if it invests in equity instruments of issuers whose performance diverges from our expectations or if equity markets generally move in a single direction and the Funds have not hedged against such a general move. The Funds may also be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering or otherwise qualifying restricted securities for public resale.

Non-U.S. Securities. We invest in securities and instruments of non-U.S. issuers, including issuers located in emerging markets. The Funds’ investments in securities and instruments in non-U.S. markets involve substantial risks often not typically associated with investing in U.S. securities. Investments in non-U.S. securities may be adversely affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the

U.S. dollar value of the Funds' assets denominated in that currency and thereby will have an impact upon the Fund's total return on such assets. We may utilize options and forward contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Investments in non-U.S. securities are also subject to risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of the Funds' assets and the effects of foreign social, economic or political instability. Non-U.S. companies are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about such companies. Moreover, non-U.S. companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies.

Securities of non-U.S. issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile. Furthermore, some foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their American counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher on foreign markets than in the U.S. In addition, differences in clearance and settlement procedures on foreign markets may occasionally lead to delays in settlements of a Fund's trades effected in such markets.

Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval. The Funds could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by the government of an emerging country.

Taxation of dividends, interest and capital gains received by non-residents varies among foreign countries and, in some cases, is comparatively high. In addition, some countries have tax laws and procedures that may permit retroactive taxation so that the Funds could in the future become subject to local tax liability that it had not reasonably anticipated in conducting its investment activities or valuing its assets.

Small-Cap and Mid-Cap Risks. We invest in equities of small- and mid-capitalization companies. While, in our opinion, the securities of small- and mid-cap issuers may offer the potential for greater capital appreciation than investment in securities of larger-cap issuers, securities of small- and mid-cap issuers may also present greater risks. For example, some small- and mid-cap issuers have limited product lines, markets, or financial resources and may be dependent for management on one or a few key persons. In addition, such issuers may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. In

addition, due to thin trading in many smaller capitalization stocks, an investment in such stocks may be characterized by reduced liquidity. Further, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is potentially higher than for larger, “blue-chip” companies. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, corporate developments, and market rumors than are the market prices of larger-cap issuers. Transaction costs in securities of small- and mid-cap issuers may be higher than in those of large-cap issuers. There may be less information about small and mid-cap companies than larger cap companies.

Use of Leverage. We leverage the Funds’ portfolios through margin and other debt primarily in order to enhance investment returns. Although Delta maintains its own internal guidelines with respect to leverage, there is no cap on the amount of leverage that the Funds may employ. Although leverage increases returns if the funds earn a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns if a Fund fails to earn as much on such incremental investments as it pays for such funds. In the event that we leverages a Fund portfolio, fluctuations in the market value of the Fund’s portfolio will have a significant effect in relation to the Fund’s capital and the risk of loss and the possibility of gain will be increased. In addition, when a Fund utilizes leverage, the level of interest rates generally, and the rates at which the Fund can borrow in particular, will be an expense of the Fund and therefore affect its operating results. Leverage increases the risk of substantial losses (including the risk of a total loss of capital) and leverage can significantly magnify the volatility of a Fund’s portfolio. We provide Fund investors with periodic reports that summarize a Fund’s use of leverage.

We typically use short-term margin borrowing in purchasing securities positions. Such borrowing, if made, may result in certain additional risks to Fund. For example, should the securities pledged to brokers to secure the Fund’s margin accounts decline in value, the Fund could be subject to a “margin call,” pursuant to which the Fund would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in value of a Fund’s assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

Short Sales. We engage in short sales when we believe securities are overvalued or as part of hedging transactions. Short sales are sales of securities a Fund borrows but does not actually own, usually made with the anticipation that the prices of the securities will decrease and the fund will be able to make a profit by purchasing the securities at a later date at the lower prices. A Fund could incur a potentially unlimited loss on a short sale if the price of the security increases prior to the time it purchases the security to replace the borrowed security. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a “long” position is limited to

the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss.

Short sale transactions periodically have been subject to increased regulatory scrutiny in response to market events, including the imposition of restrictions on short selling certain securities and reporting requirements. Our ability to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice and may impact prior trading activities of the Funds. Additionally, the SEC, its foreign counterparts, other governmental authorities and/or self-regulatory organizations may at any time promulgate permanent rules or interpretations consistent with such temporary restrictions or that impose additional or different permanent or temporary limitations or prohibitions. The SEC might impose different limitations and/or prohibitions on short selling from those imposed by various non-U.S. regulatory authorities. These different regulations, rules or interpretations might have different effective periods.

Regulatory authorities may impose restrictions that adversely affect our ability to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, we may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing. A Fund may also incur additional costs in connection with short sale transactions, including in the event that it is required to enter into a borrowing arrangement in advance of any short sales. Moreover, the ability to continue to borrow a security is not guaranteed and a Fund is subject to strict delivery requirements. The inability of a Fund to deliver securities within the required time frame may subject the fund to mandatory close out by the executing broker-dealer. A mandatory close out may subject the fund to unintended costs and losses. Certain action or inaction by third-parties, such as executing broker-dealers or clearing broker-dealers, may materially impact a Fund's ability to effect short sale transactions. Such action or inaction may include a failure to deliver securities in a timely manner in connection with a short sale effected by a third-party unrelated to the Fund.

Hedging Transactions. We utilize certain financial instruments both for investment purposes and for risk management purposes in order to seek to: (i) protect against possible changes in the market value of a Fund's investment portfolio resulting from fluctuations in the securities markets, changes in interest rates, currency exchange rates or other financial measures, (ii) protect the fund's unrealized gains in the value of the Fund's investment portfolio, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio, (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets, (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date or (vii) for any other reason that we deems appropriate.

When we decide to hedge one or more positions, our success will be based on our ability to correctly assess the degree of correlation between the performance of the hedging instrument and the performance of the investment being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a hedge will also be subject to our ability to periodically recalculate, readjust, and execute the hedge in an efficient and timely manner. While we may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a Fund than if we had not engaged in any such hedging transactions. In certain transactions, we may not be “hedged” against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated. When we desire to hedge a position in a Fund’s portfolio, we might not be able to do so because a hedge may not be available; it may be too costly in light of the likelihood of the possible risk actually occurring or the risk simply could not be reasonably anticipated.

Debt Securities Generally. We may invest in private and government debt securities and instruments. We may invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

Investments in High Yield and Distressed Securities. We may invest in “below investment grade” securities and obligations of domestic and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence or other problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Some of these securities may not be publicly traded, and it therefore may be difficult to obtain information as to the true condition of such issuers or to buy or sell these securities. Additionally, in certain periods, there may be little or no liquidity in markets for these securities. The public market prices of distressed securities may be subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a substantial period of time for the market price of such securities to reflect what we believe is their intrinsic value.

Investments in distressed securities may also be affected adversely by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies’ securities may be considered speculative, and the ability of such

companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to a Fund's investment in any instrument, and certain of a Fund's investments may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is high. There can be no assurance that we will correctly evaluate the value of the assets collateralizing the obligations owed to a Fund or the prospects for a successful reorganization or similar action.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that, among other things, the reorganization will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security in respect to which such distribution was made. The administrative costs of a bankruptcy proceeding are frequently high and are paid out of the debtor's estate before any return to creditors (other than out of assets or proceeds thereof that are subject to valid and enforceable liens and other security interests) and equity holders. In addition, the amount of certain claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high. U.S. bankruptcy law permits the classification of "substantially similar" claims in a reorganization for the purpose of voting on a plan of reorganization. In certain transactions, a Fund may not be "hedged" against market fluctuations or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

Troubled companies and other asset-based investments also require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by Delta. To the extent that we become involved in such proceedings, a Fund may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by a fund in an issuer's reorganization proceedings could result in the imposition of restrictions limiting our ability to liquidate Fund positions in the issuer. We, on behalf of a Fund, may elect to have representatives serve on creditors' committees or other groups to preserve or enhance a Fund's position as a creditor. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If we conclude that our obligations owed to the other parties as a committee or group member conflict with duties owed to a Fund, we may be required to recuse itself or resign from that committee or group, and the Fund may not realize the benefits, if any, of participation on the committee or group. In addition, if a Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in the applicable company.

Further, the law is uncertain as to duties and restrictions applicable to an “ad hoc” creditors committee on which we participate or are deemed to participate.

Investment in the debt of financially distressed companies domiciled outside the U.S. involves additional risks. Bankruptcy law and process may differ substantially from that in the U.S., resulting in greater uncertainty as to creditors’ rights, the enforceability of those rights, reorganization timing and the classification, seniority and treatment of claims. In certain countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Convertible Securities. The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, then the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by a fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a Fund’s ability to achieve its investment objective.

Futures Contracts. The value of futures depends upon the price of the securities, commodities, instruments, indices or other financial measures underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, inflation, foreign exchange rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which a Fund’s positions trade or of its clearinghouses or futures commission merchants. Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures

contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from promptly liquidating unfavorable positions and subject the Fund to substantial losses or could prevent the Fund from entering into desired trades. In extraordinary circumstances, a futures exchange, the CFTC or another similar non-U.S. regulatory body or agency could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Forward Trading. We enter into forward contracts with counterparties. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies and commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by a fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which we would otherwise recommend, to the possible detriment of a Fund. Market illiquidity or disruption could result in major losses to a fund.

Exchange Rate Fluctuations; Currency Considerations. We invest in securities denominated in currencies other than the U.S. dollar or hold active currency positions that are denominated in currencies other than the U.S. dollar and, as a result, are exposed to currency exchange risk. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Fund’s investments to diminish or increase. Currency exchange rates may fluctuate over short periods of time and are generally determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can be affected unpredictably by intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments.

Furthermore, a Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a fund at one rate, while offering a lesser rate of exchange should the Fund desire

immediately to resell that currency to the dealer. We conduct currency exchange transactions either on a spot (*i.e.*, cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-U.S. currencies. It is anticipated that most of the Funds' currency exchange transactions will occur at the time securities are purchased and will be initiated primarily for the purpose of hedging exposure to the underlying currency.

Fixed Income Securities. We invest in bonds and other fixed income securities of U.S. and non-U.S. issuers. The values of fixed income securities in which a Fund invests will change in response to fluctuations in interest rates and, in certain cases, inflation. In addition, the values of certain fixed-income securities can fluctuate in response to changes in perceptions of creditworthiness, political stability or soundness of economic policies and in response to supply and demand in the markets for such securities. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate and inflation sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).

Risks of Investments in Options. Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (*i.e.*, sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value. Over-the-counter options that a Fund may use in its investment strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions.

Repurchase and Reverse Repurchase Agreements. We may enter into repurchase and reverse repurchase agreements. When a Fund enters into a repurchase agreement, it "sells" securities to a broker-dealer or financial institution, and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the fund "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by a Fund involves certain risks. For example, if the seller of securities to the Fund under a reverse repurchase agreement defaults

on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Other Derivative Investments. We invest in other types of derivative instruments. Derivative instruments or "derivatives" include futures, options, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement may expose a fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Lack of Liquidity of Certain Fund Assets. Our ability to sell certain investments (especially those involving large concentrated positions, financially distressed companies or bank loans) often will be limited and may be possible only at substantial discounts, if at all. The size of a Fund's position in a security may limit its ability to sell such position or a large portion of it and any such sale may not be possible at the current market prices of the underlying security except over an extended period, which could hamper a Fund's ability to invest in favorable opportunities that may arise.

At present, the Funds (including the Special Investment held by Prism LP) and Mr. Jobson individually hold a significant amount of the Specified Position. Prism LP, exclusive of the Special Investment, holds less than 1% of the outstanding shares of the Specified Position; the Special Investment, which is held by certain investors, holds less than 5% of the outstanding shares of the Specified Position; and Prism Offshore holds less than 14% of the outstanding shares of the Specified Position. The collective holdings of the Funds (including the Special

Investment) when combined with Mr. Jobson's personal holdings are approximately 27% of the outstanding shares of the Specified Position. See Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Dealings" / "Potential Conflict of Interest Created by Substantial Personal Holdings" for additional information about the potential conflicts of interest raised by Mr. Jobson's personal holdings. The size of the combined holdings of the Specified Position and the historical trading volumes suggest that the Funds and Mr. Jobson likely would not be able to sell the aggregate position or a large portion of it at current market prices except over an extended period.

The shares and interests in the Second Equity Position that are held by the Funds collectively are the equivalent of approximately 10% of the outstanding shares of the Issuer.

Illiquid Securities; Designated Investments. Although Delta does not currently anticipate that any of a Fund's assets will be designated as Designated Investments in the future, in certain circumstances, general economic or market conditions may render, in the sole discretion of a Fund General Partner, certain investments held by a Fund as illiquid, restricted or difficult to value. In such event, the General Partner may designate such investments as "Designated Investments," and all investors at the date of such designation will participate on a *pro rata* basis in such Designated Investments. Such Designated Investments may have to be held for a substantial period of time before they can be liquidated, if at all. Market prices for such Designated Investments are often volatile and may not be ascertainable. The resale of restricted and illiquid securities often may have higher brokerage charges. Designated Investments may represent capital not available for withdrawal by investors. Such investments may be difficult to value.

Counterparty Risk. Some of the markets in which the Funds may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated transactions with a single or small group of counterparties. The Funds not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Pursuant to the Dodd-Frank Act (as defined below), some derivatives transactions will be subject to mandatory clearing and will also be subject to the margin requirements set forth by the clearinghouse. The additional margin, capital and collateral obligations may increase the cost of derivatives transactions and thereby potentially decrease the profitability of certain positions.

High Growth Industry Related Risks. Certain of the high growth companies (e.g., technology, communications and healthcare) in which we may invest may allocate, or may have allocated,

greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which we invest could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

Further, many high growth companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which we invest. Conversely, other companies may make infringement claims against a company in which a Fund invests, which could have a material adverse effect on such company.

The markets in which many high growth companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that companies in which the Funds invest will successfully penetrate their markets or establish or maintain competitive advantages.

Board Appointments. A Fund may designate a director to serve on the board of directors of certain portfolio companies as to which it obtains such rights. Mr. Jobson currently serves as a director of Good Times Restaurants Inc., a company in which the Funds are invested.

The designation of directors and other measures contemplated could expose the assets of the Fund to claims by a portfolio company, its security holders and its creditors. While we will try to minimize exposure to these risks, the possibility of successful claims cannot be precluded. A Fund is subject to certain restrictions with respect to transacting in securities of any such portfolio company to which it has designated a director. Board service could influence Mr. Jobson's approach to the purchase or sale of securities of Good Times Restaurants Inc. because of his interest in remaining on the board. This is mitigated to some extent by Mr. Jobson's direct and indirect interest in the success of the Funds.

Risk Arbitrage Transactions. We may seek to purchase securities at prices below their anticipated value following the occurrence of a predicted event, including proposed mergers, tender offers or similar transactions. The purchase price of such securities may be in excess of the market price of the securities immediately prior to the announcement of the proposed transaction. If the proposed transaction is not consummated or is delayed, the market price of the security may decline and result in losses to a Fund. In certain transactions, a Fund may not be hedged against market fluctuations unrelated to the anticipated transaction but which may affect the value of the consideration to be received. This may result in losses, even if the proposed transaction is consummated.

Systems Risk. We rely on computer programs, our internal infrastructure and services, and hardware and data provided by third parties to trade, clear and settle securities and other transactions, to evaluate certain securities or situations based on real-time or delayed trading information, to monitor the Funds' portfolios, and to generate risk management and other reports that are critical to the oversight of the Fund's activities. In addition, certain of the Funds' and Delta's operations interface with or depend on systems operated by third parties, brokers and market counterparties and their sub-custodians and other service providers, and we may not be in a position to verify the risks or reliability of such third party systems. These third party programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures. Any such defect or failure could have a material adverse effect on the Funds. For example, such failure could cause an error in the confirmation of trades (e.g., could cause a Fund to conclude that a trade has been confirmed while the counterparty has concluded that a trade has not been confirmed), could cause settlement of trades to fail or be substantially delayed beyond the date of confirmation, lead to inaccurate accounting, recording or processing of trades, and cause inaccuracies in reports, which may affect our ability to monitor the Fund's investment portfolios and their risks.

Cash Balances. A Fund may hold a portion of its assets in cash. A Fund will hold any cash balances it may accumulate for investment, reinvestment or distribution to investors in securities subject to repurchase agreements, in money market mutual funds, in interest-bearing bank accounts or in other fixed-income securities. The returns on the cash balances are expected to be low and a Fund could miss more significant returns if its cash balances are high.

Loans of Portfolio Securities. On occasion, a Fund may lend its portfolio securities on terms customary in the securities industry, enter into reverse repurchase agreements or enter into other transactions constituting a loan of the Fund's assets. By doing so, the Fund attempts to increase its income through the receipt of interest on the loan. In the event of a default or the bankruptcy of the other party to a securities loan, the fund could experience delays in recovering the securities it lent and there is no assurance that the securities will be recovered. To the extent that the value of the securities the Fund lent has increased, the Fund could experience a loss if such securities are not recovered.

Money Market Instruments. We may invest, for defensive purposes or otherwise, all or a portion of a Fund's assets in money-market instruments and foreign money-market mutual funds, or hold cash or cash equivalents in such amounts as we deem appropriate under the circumstances. Money market instruments are high quality, short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. Government securities, commercial paper, certificates of deposit and bankers' acceptances issued by domestic branches of United States banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements. However, there can be no assurances that such investments will not be subject to significant risks.

Exchange Traded Funds. From time to time, we invest in and sell short shares of exchange traded funds ("ETFs") and other similar instruments. These transactions may be used to adjust a Fund's exposure to the general market or industry sectors and to manage a Fund's risk exposure. ETFs and other similar instruments involve risks generally associated with investments in a broadly based portfolio of common stocks, including the risk that the general level of stock prices, or that the prices of stocks within a particular sector, may increase or decrease, thereby affecting the value of the shares of the ETF or other instruments.

General Economic and Market Conditions. The success of a Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the level and volatility of securities' prices, the liquidity of a Fund's investments and the availability of certain securities and investments. Volatility or illiquidity could impair a Fund's profitability or result in losses. The Funds may maintain substantial trading positions that can be materially adversely affected by the level of volatility in the financial markets—the larger the positions, the greater the potential for loss.

Market Disruptions; Governmental Intervention; Dodd-Frank Wall Street Reform and Consumer Protection Act. The global financial markets have in recent years gone through pervasive and fundamental disruptions that have led to extensive governmental intervention. Such intervention was in certain cases implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, certain of these interventions have been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which aims to reform various aspects of the U.S. financial markets, covers a broad range of market participants including investment advisers (registered and unregistered) such as Delta.

The Dodd-Frank Act may directly affect Delta by mandating additional new reporting requirements, including, but not limited to, position information, use of leverage and counterparty and credit risk exposure that could affect investment strategy. Until the SEC implements the new reporting requirements, the effect of such requirements is unknown.

The Dodd-Frank Act may also affect the Funds in a number of other ways. Pursuant to the Dodd-Frank Act, banks and other financial firms (like the Funds and Delta) may be designated as “Systemically Important Financial Institutions” or SIFIs. Any bank or financial firm so designated will be subject to regulation by the Federal Reserve Board. In the area of derivatives, the Dodd-Frank Act provides for the registration and comprehensive regulation of “major swap participants.” Although Delta believes that it and affiliates are unlikely to be classified as SIFIs and are not subject to the requirements for “major swap participants,” the consequences of being so classified could be substantial and adverse. In addition, the cost of derivative transactions may substantially increase as result of the Dodd-Frank Act as additional margin, capital and collateral obligations are implemented.

The Funds may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Funds from its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Funds. Market disruptions may from time to time cause dramatic losses for the funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Difficulty of Locating Suitable Investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Funds to invest all of their capital in opportunities that satisfy their investment objectives or that such investment opportunities will lead to completed investments by the Funds. The availability of investment opportunities, particularly with small issues, generally will be subject to competition from other investment entities.

Suspension of Trading. For all securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for the Funds to liquidate their positions and thereby expose them to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for the Funds to close out positions.

Change in Investment Strategies. Our investment strategies, approaches and techniques may evolve over time due to, among other things, market developments and trends, the emergence of new or enhanced investment products, changing industry practice and/or technological

innovation. As a result, these investment strategies, approaches and techniques may not reflect the investment strategies, approaches and techniques actually employed in the future. Nevertheless, the investments made on behalf of the Funds will be consistent with their investment objective.

Broker Risk. Fund assets generally are held in one or more accounts maintained for the Fund by its prime brokers or at other brokers or custodian banks, which may be located in various jurisdictions, including emerging market jurisdictions. The prime brokers, other brokers (including those acting as sub-custodians) and custodian banks are subject to various laws and regulations in the relevant jurisdictions that are designed to protect their customers in the event of their insolvency. Accordingly, the practical effect of the laws protecting customers in the event of insolvency and their application to a Fund's assets may be subject to substantial variations, limitations and uncertainties. For instance, in certain jurisdictions brokers could have title to a Fund's assets or not segregate customer assets. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, another broker or a clearing corporation, it is impossible to generalize about the effect of the insolvency of any of them on a Fund and its assets. Investors should assume that the insolvency of any of the prime brokers, local brokers, custodian banks or clearing corporations may result in the loss of all or a substantial portion of a Fund's assets or in a significant delay in the Fund having access to those assets.

The Fund's Confidential Offering Memoranda provide additional information about the risks of the investment strategies that Delta is using as well as other risks of an investment in one of the Funds.

This is a summary of certain investment risks associated with our investment strategies. A fuller statement of investment risks and other risks, appears in each Funds' Confidential Offering Memoranda.

Item 9. Disciplinary Information

Our firm has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

As set forth in Item 4 ("Advisory Business"), Delta Partners GP, LLC serves as general partner of Delta. Delta Advisors, an affiliate of Delta, serves as the general partner of Prism LP and of the Delta Growth Funds.

In addition, Delta (or its principals, members, officers, employees or affiliates) may serve as investment manager or investment advisor to other client accounts, including separately managed accounts and are permitted to conduct investment activities for its own accounts. Further, while not presently engaged in these activities, Delta (or its members, officers, affiliates or employees)

may serve as consultants or general partner to managers of other private investment funds or private investment fund-of-funds and advise such funds or such fund-of-funds about investments.

Mr. Jobson serves as a member of the board of directors of Good Times Restaurants Inc.

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

Code of Ethics

Our firm has adopted a Code of Ethics (“Code”) that sets forth high ethical standards of business conduct, including compliance with applicable federal securities laws, that we require of our principals, members, employees, and other persons whom we consider a Covered Person (collectively, “Covered Persons”). Our Code includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm’s Covered Persons. Among other things, our Code also requires the prior approval of any acquisition of securities in a limited offering or an initial public offering. Our Code provides for oversight, enforcement and recordkeeping provisions. Our Code also includes the Firm’s policy of prohibiting the mis-use of material non-public information. Each of our Covered Persons is required to acknowledge that he or she received, read and understands our Code. Clients, prospective clients, and investors may contact Rebecca Rogers at (617) 526-8939 or rebecca.rogers@deltamgt.com to request a copy of our Code of Ethics.

Our Code is designed to oversee that the personal securities transactions, activities and interests of our Covered Persons will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing Covered Persons to invest for their own accounts.

Covered Persons, from time to time, for their own accounts, purchase, sell, hold or own securities or other assets which may be recommended for purchase, sale or ownership for one or more of the Funds or own an interest or position in certain securities, which may be purchased by a Fund. This practice creates results in a potential conflict of interest, as we have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in cases of limited availability.

We have internal procedures concerning such possible conflicts of interest. Except as provided below under the heading “Potential Conflict of Interest Created by Substantial Personal Holding”, it is our policy that our Covered Persons should at all times place the interests of the Funds first, conduct all personal securities transactions in a manner as to avoid any actual or potential conflict of interest or any abuse of the individual's position of trust and responsibility,

and adhere to the fundamental standard that Covered Persons should not take inappropriate advantage of their positions.

To mitigate these potential conflicts of interest and fulfill our fiduciary responsibilities, we maintain the following procedures on personal investment activities contained in our Code:

- (i) Covered Persons must obtain preclearance for all personal trades prior to the initiation of the trade, with the exception of open-end mutual funds and other exceptions detailed in the policy;
- (ii) Covered Persons are prohibited from purchasing a security that a fund holds or is in the process of buying or selling (a “Restricted Security”) unless the security has not been traded by Delta or has not had a pending buy or sell order for a minimum of three business days. Preclearance for any Restricted Security must be obtained from the applicable Portfolio Manager. Please see below (“Potential Conflict of Interest Created by Substantial Personal Holding”) for circumstances under which Mr. Jobson could be permitted to sell a security also held by some of the Funds prior to or at the same time as the Funds.
- (iii) All Covered Persons are required submit to the Chief Compliance Officer an Attestation Statement listing the names and account numbers of any brokerage firms or banks where the Covered Person maintains an account in which any securities are held, no later than the thirtieth (30th) day following each calendar quarter end.
- (iv) Covered Persons are required to direct their brokers or custodians to supply to the Compliance Officer with monthly or quarterly account statements reflecting securities transactions for the applicable quarter.
- (v) Covered Persons are required to submit to the Chief Compliance Officer within 10 days of employment and annually thereafter a statement listing all of the securities in which the Covered Person has any beneficial ownership, business activities in which the Covered Person has a significant role, and the names of any brokerage firms or banks where the Covered Person maintains an account. The statement must be current as of a date no more than 45 days prior to the date the report was submitted.

It should be noted that Covered Persons may have varying investment objectives and may employ investment techniques for themselves that differ from those employed for the Funds. These different techniques, investment and tax considerations may not always be consistent with decisions made for the Funds.

Our personnel may serve on the board of directors or provide other services to a portfolio company. Personnel may be compensated by the portfolio company by means of directors’ fees,

stock options or other consideration. This creates a potential conflict because our personnel's investment judgment could be affected by the potential to receive such compensation.

Charles Jobson currently serves as a director of Good Times Restaurants Inc., a company in which the Funds are invested. For the fiscal year 2018, he will begin receiving directors' fees in the amount of \$3,750 per quarterly board meeting. He may receive additional compensation, including stock options. Potential Conflict of Interest Created by Substantial Personal Holdings

The Funds currently own securities that Mr. Jobson also owns personally or in which he has an indirect interest. In particular, at present Mr. Jobson owns and has indirect interests in a substantial amount of the Specified Position referred to in Item 4 ("Advisory Business") and in Item 8 ("Methods of Analysis, Investment Strategies, and Risk of Loss" / "Concentrated Portfolio, Large Position in Two Non-U.S. Equities"). This could influence investment decision-making because these personal holdings create an incentive not to sell shares of the Specified Position held by the Funds to avoid negatively impacting the price of the shares of the Specified Position in which Mr. Jobson personally has an interest.

Based on historical trading volume, the ability to simultaneously sell the shares held by the Funds and held personally by Mr. Jobson at current market prices is limited. In the event that Delta were to decide that some or all of the shares held by the Funds should be sold based on the investment merits, market conditions, or otherwise, Mr. Jobson would have a potential incentive to sell ahead of the Funds. This potential conflict is mitigated in part by the fact that Mr. Jobson, through Prism Partner's General Partner, holds approximately 85% of the net asset value of Prism LP, 88% of the net asset value of the Special Investment, and approximately 97% of the net asset value of Prism Offshore, through deferred compensation, and indirectly, receives incentive compensation in the form of a performance allocation or fee.

To mitigate this potential conflict, if Delta, that the positions in the Specified Position should be decreased, sales generally will be made for the Funds (including the Special Investment), before sales by Mr. Jobson are approved. However, tax obligations could lead Mr. Jobson to wish to sell shares of the Specified Position or to pledge them to raise funds. Pledged shares could be sold to meet a margin call or otherwise. If, based on the merits of the investment, the Funds elect to maintain their holdings of the security at a time when Mr. Jobson elects to sell shares in order to meet tax obligations, Mr. Jobson will be permitted to sell. If, for any reason, the Funds elect to sell shares of the Specified Position at the same time that Mr. Jobson elects to sell shares of the Specified Position in order to meet tax obligations, then the sales will be made *pari passu* based on the relative size of the holdings by each. If, for any reason, the Funds elect to sell shares at a time when a lender to which Mr. Jobson has pledged shares, elects to sell shares, then each of the lender and the Funds may contemporaneously sell shares. Depending on the circumstances, the amount and the method of sale, the sale of shares by Mr. Jobson or a lender could negatively affect the Specified Position's market price to the detriment of the Funds, particularly if there are contemporaneous sales. Holders of interests in the Special Investment

(which holds solely shares of the Specified Position) may be unable to readily redeem from the Special Investment due to limited liquidity, if Mr. Jobson, any lender to Mr. Jobson, or Prism Offshore is selling shares of the Specified Position at the same time. Purchases or sales of securities by Mr. Jobson personally, including pledges, must be pre-cleared with the Chief Compliance Officer or designee.

Prism Offshore has a substantial obligation to Delta Partners, LP in connection with deferred compensation. Since Prism Offshore will continue to hold a large concentrated position in the Specified Position at the time that obligation is satisfied in late 2017, Prism Offshore will transfer in-kind shares of the Specified Position, to Delta Partners, LP, which is principally owned by Mr. Jobson, to satisfy the obligation. The net effect likely will be to further increase Mr. Jobson's personal holdings of the Specified Position. It is also expected that Prism Offshore will transfer in-kind shares in the Second Non-U.S. Equity Position to Delta Partners as well as a few other holdings. This distribution will likely increase or create personal holdings in other positions that are also owned by Prism LP and Delta Growth.

In addition, Mr. Jobson's investment in each of the Funds is substantially larger than the investments of other investors. This gives rise to a potential conflict of interest because it creates an incentive for Mr. Jobson to manage the portfolio of the Funds in a manner that is in his best interest and not necessarily that of other investors in the Funds.

Item 12. Brokerage Practices

Broker Selection

We have the authority and discretion to select broker-dealers to execute portfolio transactions initiated by us and to determine the commissions paid in connection with securities transactions. Our policy is to seek best execution. The determination of whether a broker-dealer will provide best execution involves a number of considerations, including without limitation, the size and type of the transaction, the nature and character of the markets for the security to be purchased or sold, the execution efficiency, settlement capability and financial condition of the broker-dealer, the broker-dealer's execution services rendered on a continuing basis, the value of any research services and the reasonableness of any commissions or other transaction costs. Overall, we use our best efforts to obtain prompt execution of transactions at favorable prices and at commissions that are reasonable in relation to the benefits received.

Broker-dealers serving as a prime broker to a Fund may provide financing and other services to Delta. These services for the benefit of Delta create a potential conflict of interest because our judgment about the selection of a broker-dealer and best execution could be affected by our receipt of the services. *See* "UBS", below.

The brokerage services and research services that we purchase with commissions fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934. The research

services that we currently obtain in this fashion include but are not limited to, software providing analysis of securities portfolios; corporate governance research and rating services; research reports (including market research); certain financial newsletters and trade journals; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; services of consultants through “expert networks”; 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. Research obtained in this fashion does not necessarily benefit each Fund equally and, in some instances, research may not benefit a Fund whose commissions are helping pay for that research.

If we use a service provided by a broker-dealer for both the purpose of (a) execution or investment decision-making (“research”) and (b) other uses (so-called “mixed-use” services), we make a reasonable, good faith allocation of the cost of the service between (a) execution or investment decision making and (b) other uses and pay out of our own assets the portion of the cost that is allocable to other uses.

In some instances, the commissions paid to broker-dealers which provide research are in excess of the level of commissions which other broker-dealers would have charged for effecting the particular transactions, that is, in some instances, we “pay up” for research.

Our payment for research through commissions benefits us because we otherwise would need to pay for such research from Firm resources. Our payment for research through Fund commissions also creates a potential conflict of interest because it may influence our selection of a broker-dealer or our negotiation of commission levels. We seek to confirm that over time the commissions paid are reasonable in the relation to the value of the brokerage and research services provided to the Funds.

Delta has a commission aggregation arrangement whereby a broker-dealer aggregates soft dollar credits from executing broker-dealers and pays for research that the Firm receives from research providers.

Referrals

We do not have an agreement with any broker-dealer that would bind Delta to compensate that broker-dealer, directly or indirectly, for client (or investor) referrals. However, if a broker-dealer is able to provide best execution, our selection process allows us to consider referrals. In doing so, we generally do not agree to pay a higher commission than we would pay to other broker-dealers for a similar transaction to compensate for the referral.

Trade Errors

In the event of a trading or order error, we make our best effort to break or otherwise correct the trade. All errors are to be corrected as soon as practicable and reported to the Chief Compliance Officer as well as the portfolio manager. Where an allocation to the wrong account is discovered prior to settlement, we reallocate to the originally intended account at the price of the original trade. If an error (other than a trade misallocation) is discovered on the trade date or thereafter, the trade is broken, if possible. If the executing broker cannot break the trade, the error is to be reported to the Chief Compliance Officer who will, along with the portfolio manager, investigate the matter and determine the appropriate resolution. Errors resulting from unique circumstances are resolved on a case-by-case basis.

UBS Securities

UBS Securities, LLC (“UBS”) currently serves as prime broker for the Funds. The Funds maintain accounts at UBS through which the Funds execute trades, borrow funds in connection with trades, clear and settle securities transactions and maintain custody of securities. Currently, in addition to UBS, UBS AG London serves as custodian for the Funds. In addition, Credit Suisse and Morgan Stanley from time to time have acted as custodians for select securities traded in certain markets or select securities transactions.

Through January 31, 2017, we paid UBS Financial Services, Inc., an affiliate of UBS, for a license to use certain office space which included furnishings and equipment. Our payment for the use of the office space and related items may have been at or below market and/or on otherwise favorable terms. UBS also provides us with other services, including business consulting and capital introductions. The historical arrangement with respect to office space and the continuing provision of business consulting and capital introduction services creates a potential conflict of interest because they it could influence our choice of prime broker or executing broker on behalf of the Funds.

Trade Allocation and Aggregation

We seek to allocate investment opportunities fairly among Funds over time. We generally allocate investment opportunities among the Funds based upon the size of the Funds, subject to such other factors that we deem appropriate, which may include, among other factors, each Fund's existing positions in the security, the amount of capacity available in each, the investment policies and restrictions of each Fund, tax considerations and the size of the allocation in relation to the size of the Fund, all in order to seek to provide on balance a fair and equitable result to each Fund over time. Because the Prism Funds already hold investments and may have relatively less capacity that they are seeking to invest than the Growth Funds in relation to assets under management, more allocations are likely to be based on considerations other than Fund size in the near term. We may take investment action for one Fund at different times from investment action taken on behalf of another Fund. We may take different investment action for

one Fund than another Fund. As a result, we expect that the portfolios of the Funds, and their performance, will differ.

In general, we aggregate orders for the Funds in order to benefit from lower prices or commission rates. Although sharing in large transactions may sometimes affect price or volume of shares acquired or sold, this procedure has the effect of treating all participating Funds equitably with respect to the purchase or sale price realized. A particular Fund may receive a better or worse price than if its trading had occurred separately. The procedure has no effect on commission costs.

In certain cases where the aggregate order may be executed in a series of transactions at various prices, the transactions will be allocated as to amount and price in a manner considered equitable to each Fund so that each receives, to the extent practicable, the average price for such transactions. In each case, the books and records of the Funds will separately reflect, for each Fund, the orders that are aggregated and the securities held by and bought and sold for that Fund. Exceptions to the policy outlined above may be based on, and are not limited to, such factors as the size of the Fund and the size of the trade. For example, we may choose not to aggregate trades where it believes that aggregation is not in the best interest of the Funds, including in situations where aggregation might result in a large number of small transactions with consequent increased custodial and other transactional costs that may disproportionately impact smaller Funds. Not aggregating trades, depending on the circumstances, may result in one Fund receiving more or less favorable execution relative to other Funds.

Item 13. Review of Accounts

At the close of each trading session, Delta's investment and financial teams receive a listing of all filled trades, portfolio holdings, certain exposure and risk measurements and estimated month-to-date and year-to-date returns. On a daily basis, an employee of Delta reviews the trading activity and cash for the Funds. The Funds' holdings are also reviewed periodically during the month and in detail at month end by their third party administrator. An employee of Delta reviews and signs off on the information sent by the administrator each month end prior to the information being sent to investors.

In addition to monthly account statements, we provide periodic reports to Fund investors that include Fund performance and information on portfolio composition, including position concentration, long and short exposures and leverage. Annually we provide Fund investors with audited financial statements for that Fund.

Item 14. Client Referrals and Other Compensation

We do not compensate any person who is not a supervised person for client referrals. With respect to consideration of investor referrals in connection with brokerage selection, *see* Item 12 (“Brokerage Practices / Brokerage Selection.”)

Item 15. Custody

Delta has custody of Fund assets under Rule 206(4)-2 of the Investment Advisers Act of 1940 (the “Custody Rule”). The Custody Rule specifies that its reporting requirements may be met if a private investment fund is audited annually and the audited financial statements are sent to all the investors in such fund within 120 days after the fund's fiscal year end. We send annual audited financial statements to investors in each Fund. This information is outlined in each Fund’s Confidential Offering Memorandum.

Item 16. Investment Discretion

We have the authority to decide what securities are to be purchased and sold for the Funds, the amount of those securities, the broker or dealer to be used and the amount of commission to be paid for a purchase or sale of a security (if applicable).

Item 17. Voting Client Securities

We have discretion to vote proxies and will vote those proxies in the best interest of the Funds and in accordance with our written policies and procedures. We have appointed a designated employee, “the Proxy Officer”, to gather, review and keep a record of all proxy statements. The Proxy Officer will forward the proxy card to the portfolio manager or analyst, who will consider any possible conflicts of interest, and if within Delta's voting guidelines, determine the method of voting and select the vote to be cast. The Proxy Officer will collect the completed proxy card from the portfolio manager or analyst and vote the shares as requested. The Proxy Officer will keep records of each vote cast for a period of at least five years. It should be noted that since we will vote proxies in the best interest of each Fund, this may result in different voting results for proxies of the same issuer.

We will generally vote in favor of routine corporate housekeeping proposals including the election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassifications of common stock.

We will generally vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights and create supermajority voting. For other proposals, we shall determine whether a proposal is in the best interests of the

Funds and may take into account the following factors, among others, (i) whether the proposal was recommended by management, (ii) whether the proposal acts to entrench existing management (iii) whether the proposal fairly compensates management for past and future performance (iv) our opinion of management. We may choose to abstain from voting for securities that are no longer held by the Funds or clients prior to the meeting date. It is important to note that we are not able to vote those securities that have been re-hypothecated by a Fund's Prime Broker. We may also not be able to vote those securities that have been loaned due to a securities lending agreement. Proxy voting is a factor when deciding to lend securities.

We will consider any potential conflicts of interest between Delta, the Funds or affiliates and an issuer prior to voting. Examples of potential conflicts of interest include Delta, the Funds or an affiliate being a substantial beneficial owner of the Issuer (greater than 5% ownership on a collective basis between the Funds) and having any other relationship with an issuer (for example, issuer is an investor in a Fund managed by Delta or an affiliate). When a conflict is identified, we will determine whether voting in accordance with the voting guidelines and factors described above is in the best interests of the Fund.

Clients and investors may contact Rebecca Rogers at (617) 526-8939 or rebecca.rogers@deltamgt.com for further information on Delta's proxy voting policy. Clients may also obtain information on how Delta voted such client's proxies on behalf of their accounts. Upon request we will provide an investor a copy of our proxy policies and procedures or how we voted with respect to a particular proposal.

Item 18. Financial Information

Delta has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.