



Wrap Program Disclosure Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of Delta Investment Management, LLC (the "Adviser"). If you have any questions about the contents of this Brochure, please contact the Adviser at (415) 249-6336. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

The Adviser is registered as an investment adviser with the California Department of Corporations. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about the Adviser also is available on the SEC's website at www.adviserinfo.sec.gov. The Firm's CRD number is 149596.

The previous annual update was dated February 14, 2018. Following is a summary of the material changes made to this Wrap Brochure since that amendment.

Cover Sheet: Updated address. Delta Investment Management, LLC, 708 Montgomery Street, San Francisco, CA 94111. Removed website addresses which are no longer in use.

Item 6: Updated to add Kyler Hasson as an individual responsible for providing investment advice.

Item 9: Kyler Hasson was added as an individual responsible for the review of client accounts.

Removed disclosures regarding Delta's relationship with US Capital Management, LLC.

Updated "Other Financial Industry Activities and Affiliations" section in its entirety.

Other Financial Industry Activities and Affiliations

Delta and its principals/owners do not have any additional outside business activities in the financial industry. However, some investment advisor representatives do have affiliations with investment advisors and/or broker/dealers that are not material to clients of Delta. Disclosure regarding these relationships is provided on Part 2B for the individuals.

Several individuals who provide investment advice to our clients are also affiliated with various insurance agencies. If you elect to implement insurance recommendations through one of these individuals, that person will receive the normal and customary commissions. In these situations, a conflict of interest exists between the interests of the client and Delta. In these instances, these individuals have an incentive to recommend products based on the compensation they receive, rather than on client's needs. Clients of Delta are under no obligation to implement insurance recommendations through one of these individuals.

Clients may purchase insurance products and services from individuals other than those affiliated with Delta.

Item 10: Removed in its entirety as a result of registration with the SEC.

<p>You may request a copy of our updated Wrap Program Brochure by calling (415) 249-6337 or sending an e-mail to info@deltaim.com. Additional information about us is also available on the SEC's website at www.adviserinfo.sec.gov. The Firm's CRD number is 149596.</p>

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ITEM 4: SERVICES, FEES AND COMPENSATION

Advisory Services

Delta Investment Management, LLC (referred to as “we,” “our,” “us,” or “Delta”), has been registered as an investment advisor since April 2009. Our principals and owners are Nicholas Atkeson and Andrew Houghton.

Delta Kress Tactical

The objective of the Delta Kress Tactical strategy is to be profitable and avoid losses in both positive and negative equity market environments and to outperform the S&P 500 Index each calendar year. The strategy primarily involves purchasing and selling U.S. equities coupled with holding the account in cash when the equity market is expected to depreciate. Purchase and sales of securities is partly based on a systematic analysis on certain technical indicators. The strategy may at times cause portfolios to hold significant amounts of cash. Investors should bear in mind that even when accounts hold significant amounts of cash, earning potentially lower rates of return, they will nevertheless be charged significant management fees. Delta Kress Tactical involves significant risk and may not be suitable for risk-averse clients or permissible for certain retirement accounts. Risks include the possibility that investors could lose their entire investment. In addition, because the strategy involves buying and selling securities on a short-term basis, generally at least every few months, the client accounts may incur short-term capital gains and losses, which are taxed less favorably than investments held for more than one year.

How Investments are Selected

Delta may use one or more of the following methods of analysis or investment strategies when managing accounts:

- Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company’s financial statements, details regarding the company’s product line, the experience and expertise of the company’s management, and the outlook for the company’s industry. The resulting data is used to measure the true value of the company’s stock compared to the current market value.
- Cyclical/Quantitative Analysis – a type of technical analysis that involves evaluating recurring price patterns and trends.

The Delta Kress Tactical strategy is an opportunistic long only, all cap strategy that utilizes a proprietary combination of technical and fundamental analysis seeking to grow capital while stressing the importance of capital preservation into down markets. Following this approach there are times in market cycles when the strategy will be fully invested in U.S. listed equities and there will be times when the strategy is completely out of equities and in cash. The strategy is not tax sensitive.

Step 1: Market Sentiment, by rigorously following our weekly market sentiment indicator we constantly evaluate the risk-reward of owning equities versus protecting investment capital in cash during weak markets.

Step 2: Portfolio Construction, our technical filter highlights the stocks across all caps and sectors that we believe are most likely to outperform the broad market. We then couple this with our fundamental

research to construct a concentrated portfolio of 20 to 30 of the strongest technical stocks with sound fundamentals.

Step 3: Sell Discipline, the portfolio is actively maintained using strict technical sell discipline. This avoids the common pitfall of becoming emotionally attached to a position.

As in investing in any equities there is a risk of loss of principal if the strategy does not exit the broad market quickly enough in a bearish downturn conversely if the strategy is too slow in entering a bullish market you will participate to the extent if you had remained invested. Principal loss may also occur due to the selection of the individual equities themselves, some individual stocks may suffer losses or not perform as well as the broader markets or may not perform as well as their peers.

Delta Tactical Dividend

Delta Tactical Dividend seeks to obtain both capital gains and dividend income during bullish equity periods through ownership of 50 high dividend paying stocks equally diversified across 10 Global Industry Classification (GIC) Standard sectors that make up the S&P 500. When positioned in stocks, the portfolio rebalances individual stock holdings quarterly. During extended bearish equity periods, the strategy mitigates risk by transitioning up to 100% out of equities and into cash equivalents.

An exponential moving average crossover technical indicator is used as an overlay to determine the asset allocation between high dividend paying stocks and cash equivalents. Allocation shifts are entirely rules based. The objective of the strategy is to achieve both income and capital appreciation from ownership of high dividend paying stocks during bullish cycles and risk mitigation during extended bearish cycles by transitioning out of equities when non-emotional, technical indicators dictate. Reallocations occur on the next trading day following the crossover signal.

The Delta Tactical Dividend strategy seeks to obtain positive investment returns during extended up equity markets through ownership of high dividend paying stocks. During extended declining market periods, the Delta Tactical Dividend strategy attempts to protect principal through ownership of cash equivalents. Shifts in allocations are made based on intermediate term exponential moving average crossovers. During bullish crossover periods, the strategy buys 50 high dividend paying stocks, diversified across 10 Global Industry Classification (GIC) Standard sectors that make up the S&P 500. All constituents of the strategy must be constituents of the S&P 500 Index. During extended bullish cycles, the portfolio will rebalance the individual stock holdings quarterly. During bearish crossover periods, the strategy may transition 100% out of stocks and into cash equivalents. The strategy is entirely rules based. The moving average crossover models are based on the closing prices of the S-Network Dividend Dogs Total Return Index (SDOGXTR). Reallocations occur on T+1; next trading day following crossover signal.

The portfolio is suitable for investors with a time horizon of five years or longer, as it can exhibit short-term volatility equal or potentially greater than the overall stock market. Delta Tactical Dividend is not suitable for all investors and involves risks associated with equity investments including the risk of loss of the principal invested. There is a risk of loss of principal if the strategy does not exit the equity market quickly enough in a bearish downturn. Conversely, if the strategy is too slow in entering a bullish market, your investment will participate only to the extent that the strategy was invested and may miss a portion of the advance. Because the strategy buys 50 stocks rather than exposure to the broad market, there is risk that your investment may not achieve broad equity or bond market actual returns. Risks include the possibility that investors could lose their entire investment. In addition, because the strategy involves buying and selling securities on a short term basis, the client accounts may incur short-term capital gains and losses, which are taxed less favorably than investments held for more than one year. Because the

strategy is actively managed and traded, performance can be negatively impacted by increased brokerage and other transaction costs and taxes.

Proxy Voting

We do not accept the authority to vote proxies on your behalf and we do not provide guidance about how to vote proxies. You will receive proxies and other related paperwork directly from your custodian. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

Advisory Fees

Investment management services are provided for an asset-based fee based on the following schedule of account opening balances:

<u>Asset Value</u>	<u>Annual Fee</u>
\$50,000 - \$1,000,000	1.80%
\$1,000,000 - \$2,000,000	1.50%
\$2,000,000+	1.25%

The annual fee is billed quarterly, in advance, based on the average of the account's net asset value on the last day of the previous billing cycle, as reflected in the ELECTRONIC DATA transmitted to us by the custodian of the account.

Fees may vary from the schedule shown above for reasons including use of third party strategy provider(s), complexity of strategy, complexity of account structure combining multiple strategies, type of assets including alternative assets, account history with Delta including duration and services provided.

Fees cover Delta's investment advisory, reporting, and account-related services. In addition, fees cover execution-related expenses and commissions.

Compensation

Delta participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"). TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

We participate in TD Ameritrade's institutional customer program and we may recommend that clients use TD Ameritrade for custody and brokerage services. There is no direct link between our participation in the program and the investment advice it gives to you, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. Benefits we receive from TD Ameritrade and other custodians that we use include the following products and services (provided without cost or at a discount):

- receipt of duplicate client statements and confirmations;
- research related products and tools;

- consulting services;
- access to a trading desk serving investment advisor participants;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information; and
- access to mutual funds with no transaction fees and to certain institutional money managers.
- discounts on compliance, marketing, research, technology, and practice management products or services provided to Delta by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit Delta but may not benefit its client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. The benefits received by Delta or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that our receipt of economic benefits in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Delta's participation in the above TD Ameritrade program does not diminish our duty to act in the best interests of our clients, including to seek best execution of trades for client accounts.

The advice we offer you may involve investment in mutual funds and/or exchange traded funds ("ETFs"). All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders (described in each fund's prospectus) or ETFs. Mutual fund fees and ETFs will generally include management fees and other fund expenses. We advise you to review all fees charged by mutual funds, ETFs, Delta and others to fully understand the total advisory fees you may be paying.

Wrap fee programs may not be suitable for all your investment needs, and your decision to participate in a wrap fee program should be based on your individual financial circumstances and investment goals.

The benefits under a wrap fee program depend, in part, upon the size of the client's account and the number of transactions likely to be generated in the account. For example, wrap accounts may not be suitable for accounts with little activity or accounts comprised principally of fixed income securities.

Participating in a wrap fee program may cost more or less than the cost of purchasing the same services separately from a broker or dealer.

ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Generally, Delta's minimum account size on the date of account opening is \$100,000. We reserve the right to waive this minimum account size requirement at our sole discretion. Our clients include entities who are able to invest \$100,000 and who are in compliance with AML regulations. We generally provide advisory services to individuals, institutions, trusts and pension plans.

ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION

Investment advice is provided by the investment personnel listed below:

- Nicholas Atkeson, Partner
- Andrew Houghton, Partner
- Michael Kress, Managing Director
- Kyler Hasson, Investment Advisor Representative

Additional information regarding each of these individuals is provided in the attached Part 2B.

We do not require particular qualifications that our personnel must meet as to education or business experience. Rather, we select personnel involved in giving investment advice based on criteria that takes into account many factors relating to their overall experience, qualifications and integrity. In addition, all personnel involved in giving investment advice must meet the examination or experience requirements of the states in which they provide investment advisory services.

ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

We provide client portfolio managers with client information including name, address, social security number, account type (trust, IRA, standard, etc.), and account custodian. Additional information that we collect, such employment status, income, net worth, and risk tolerance is not provided to the portfolio managers.

We update this information at the time we become aware of any material changes.

ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS

You may contact the portfolio manager at any time with questions regarding your account. There are no restrictions on your access to the portfolio manager.

ITEM 9: ADDITIONAL INFORMATION

Disciplinary Information

We have no legal or disciplinary events to report involving Delta or our management.

Code of Ethics

We have adopted a code of ethics ("Code of Ethics") for all of our employees describing our high standard of business conduct and fiduciary duties to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All of our employees must acknowledge the terms of the Code of Ethics annually, or as it is amended.

Our employees and persons associated with us are required to follow the Code of Ethics. Subject to satisfying the Code of Ethics and applicable laws, officers and employees of Delta may trade for their own

accounts in securities which are recommended to and/or purchased for our clients. Among other things, our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in your best interest and (ii) implementing the decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with our clients' best interests. Where our personal trading could potentially interfere with our clients', the Code requires pre-clearance of transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics and to reasonably prevent conflicts of interest between Delta and our clients.

Affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will receive securities at a total average price. Delta will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

You may request a copy of the firm's Code of Ethics by contacting Nicholas G. Atkeson.

Review of Accounts

Client accounts are reviewed on a periodic basis and no less than once per year. Clients may request an account review at any time. Client accounts are reviewed by Nicholas G. Atkeson and Andrew D. Houghton, founding partners of Delta and Kyler Hasson, Investment Advisor Representative. Michael Kress, Managing Director, is responsible for the review of the Delta Kress Tactical strategy.

Use of Solicitors

We may engage solicitors to provide client or investor referrals. We pay these solicitors a portion of the fees we earn for managing the client or investor that was referred. If you are referred by a solicitor, this practice will be disclosed in writing and we will comply with applicable rules or statutes. Clients referred by a solicitor do not pay a higher fee.

Financial Information

We do not charge or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.

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