

Item 1 – Cover Page

Part 2A of Form ADV
Brochure for:

**DLD Asset
Management, LP**

September 23, 2022

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This Brochure provides information about the qualifications and business practices of DLD Asset Management, LP (“DLD” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

DLD Asset Management, LP is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.

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

Item 2 – Material Changes

This Brochure was prepared for DLD's annual amendment. There have been material changes since DLD submitted its annual amendment filed on March 30, 2022.

The following is a material changes made to this Brochure:

Item 4-E: Updated Assets Under Management ("AUM") to reflect ADV-1 Assets Under Management as \$4,019,000,000 as of December 31, 2021.

Item 5-A-1: Updated management fee schedule with current agreements.

Item 12-B: Amended policy that aggregated order's will be allocated on a non-pro rata basis only if it is necessary to be in compliance with a client's investment guidelines and restrictions, capital inflows/outflows, available cash, liquidity requirements and tax or legal requirements.

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Item 4 – Advisory Business

A. Description of the Advisory Firm

DLD Asset Management, LP (“DLD”), a Delaware limited partnership, is an investment adviser formed on February 22, 2013. DLD Asset GP, LLC, a Delaware limited liability company, is the general partner of DLD, and Mark Friedman is the principal owner and managing member of DLD Asset GP, LLC.

B. Types of Advisory Services

DLD provides investment advice and management to privately placed investment funds including a limited partnership (the “Partnership”) and a non-U.S. company (the “Offshore Fund”, jointly with the Partnership, the “**Private Fund**”). The Private Funds intend to pursue their investment activities by investing all or a portion of their investable assets into a master fund (the “Master Fund”) of which DLD is the investment manager. An affiliate of DLD serves as the sponsor and general partner of the funds and the Master Fund (the “General Partner”). DLD’s clients also include funds for which DLD is a sub-adviser (collectively, the “**Sub-Advisory Funds**”). DLD manages additional private investment funds or separately managed accounts (collectively with the Private Funds, the Master Fund, open-end RICs operating as mutual funds, including Undertakings for Collective Investments in Transferable Securities (“UCITS”) and the Sub-Advisory Funds, the “Clients”).

Pursuant to the Clients’ offering memorandum, limited partnership agreement, articles of memorandum and association, subscription documents and/or sub-advisory agreement, as applicable (collectively the “Constituent Documents”), the Clients engage in event driven type strategies in order to pursue high returns on a risk-adjusted basis. The Clients attempt to profit by understanding dynamic/fluid catalyst-driven situations, particularly in the equity and equity derivative markets, and structuring trades appropriately around this understanding. By using a diverse set of hedging instruments, the Clients seek to generate returns while limiting volatility and mitigating risk.

The Private Funds are offering interests (“Interests”) to certain qualified investors as described in response to Item 7, below (such investors or prospective investors, collectively with investors in the Sub-Advisory Funds unless the context requires otherwise, are referred to herein as “Investors”).

DLD provides investment advisory services to open-end RICs operating as mutual funds (“**Registered Fund**”) in accordance with the Investment Sub-advisory Agreements with the Registered Fund as approved by the applicable Registered Fund’s Board of Trustees (“Board”). For the Registered Funds that DLD manages, DLD has the responsibility for the general management and administration of the Registered Funds, subject to the supervision of the applicable Board. With respect to the Registered Fund that DLD sub advises for the applicable Board, subject to the supervision and oversight of the applicable Board, DLD provides a continuous investment program for the Registered Fund’s allocated assets and determines the composition of the assets of the Registered Fund’s allocated assets, including determination of the purchase, retention or sale of the securities, cash and other investments contained in the portfolio. With respect to the Registered Funds, that DLD manages, DLD is responsible for placing purchase and sale orders and providing continuous supervision of the investment portfolio of the Registered Fund. DLD does not provide custodial or other administrative services to the Registered Fund. At no time will DLD accept or maintain custody with respect to a Registered Funds’ assets. For additional information regarding the Registered Fund’s fees, investment objectives, investment strategies and associated risks please refer to Registered Funds’ Prospectuses and Statements of Additional Information. This ADV brochure does not constitute an offer to sell, or a solicitation of an offer to buy, shares of the Registered Funds.

DLD acts as a sub-adviser to U.S. registered investment companies and a UCITS fund registered in Luxembourg with Commission de Surveillance du Secteur Financier (“CSSF”). The fees and other contractual arrangements for registered funds are described in the registered fund's registration statement filed with the Securities and Exchange. The sub-advised UCITS fund are available to non-U.S. clients only and additional information is available through Advisor.

C. Sub-Advisory Services

DLD acts as sub-adviser to a variety of products, including the following Sub-Advisory Funds:

- Third-Party Registered Funds;
- affiliated and unaffiliated non-U.S. funds registered under the securities laws of offshore jurisdictions (“Non-U.S. Registered Funds”), including UCITS;
- Separate Accounts; and
- Private Funds (for a list of certain of the Private Funds sub-advised by DLD, please refer to Section 7.B(2) of Schedule D of Part 1A of DLD’s Form ADV, which is publicly available at www.adviserinfo.sec.gov.)

D. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve the Clients’ investment objectives. Generally, DLD has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients or their Investors.

E. Wrap Fee Programs

DLD does not participate in wrap fee programs.

F. Amounts under Management

DLD manages the assets of the Clients and certain assets of the Sub-Advisory Funds and has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$4,019,000,000	\$0	December 31, 2021

Item 5 – Fees and Compensation

A. Fee Schedule

The fees and compensation payable to DLD are negotiable and vary among its Clients. However, the range of compensation is generally as follows:

1. Management Fee

- **The Private Funds.** DLD typically receives an annual asset-based management fee calculated as a percentage of each Investor's capital account, payable quarterly in advance. The management fee is generally at an annual rate of 1.0%.
- **Registered Funds.** For the Pooled Investment Vehicles, the Investment Companies, the management fees are calculated based on average daily assets values, and are paid monthly or quarterly, in arrears. The management fee is generally at an annual rate of .80 % to 1.0%.
- **The Sub-Advisory Funds.** For the Pooled Investment Vehicles, the Investment Companies, the management fees are calculated based on average daily assets values, and are paid monthly or quarterly, in arrears. The management fee is generally at an annual rate of .80 % to 1.0%.

2. Incentive Allocation

- **The Private Funds.** DLD generally receives an incentive allocation equal to a percentage of the net income (including realized and unrealized gains and losses) allocated to each Investor for the year, but only to the extent net income allocated to that Investor exceeds any cumulative losses that were allocated to such Investor for earlier periods and that have not been recovered (a "high water mark"). This incentive allocation is generally 20% and is typically made at the end of each calendar year.
- **The Sub-Advisory Funds.** DLD generally receives an incentive allocation equal to a percentage of the net income (including realized and unrealized gains) allocated to each Sub-Advisory Fund Investor for the month or year (depending upon the applicable Sub-Advisory Fund account), but only to the extent net income allocated to that Sub-Advisory Fund Investor exceeds any cumulative losses that were allocated to such Sub-Advisory Fund Investor for earlier periods and that have not been recovered (a "high water mark"). This incentive allocation is generally equal to between 10% and 50% and is typically made at the end of each calendar month or calendar year.

The incentive allocation will only be charged to accounts of those Investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor or Client vary. Although DLD believes its fees are competitive, lower fees for comparable services in certain circumstances be available from other investment advisers.

3. Other Fees

Placement Fee: DLD engages authorized dealers, placement agents or independent third- parties for services provided in connection with the solicitation of subscriptions. Any solicitation fee paid to such third parties will be paid by DLD or an affiliate from the fees or compensation they receive from the Client. Investors will not be responsible for any expenses in connection with the solicitation of subscriptions.

Investors should recognize that a placement agent or distributor's participation might be influenced by its interest in such current or future fees and compensation. Investors should consider these potential conflicts of interest in making their investment decisions.

4. Fee Comparison

The expenses of the Clients of Private Funds, including the management fee and incentive allocation may constitute a higher percentage of average net assets than would be found in other investment vehicles.

B. Payment of Fees

Management fees, incentive allocations, and third-party fees (discussed below) are deducted from Client assets.

- **The Private Funds.** Management fees, which are paid in advance, are withdrawn at the beginning of the quarter. Incentive allocations are allocated as of the last business day of the calendar year and as of any date on which an Investor makes a withdrawal or receives a distribution from such Investor's capital account(s).
- **The Sub-Advisory Funds.** Incentive allocations are allocated as of the last business day of the calendar month or calendar year (depending upon the applicable Sub-Advisory Fund account).

C. Third-Party Fees

The funds shall pay such costs and expenses as DLD shall reasonably determine to be necessary, appropriate, advisable or convenient to carry on its business and realize its objective, including but not limited to: (i) management fees; (ii) all general investment expenses (i.e., expenses which DLD reasonably determines to be directly related to the investment of the fund's assets); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iv) fees, costs and expenses of third-party service providers that provide such services; and (v) any extraordinary expenses, among other expenses.

DLD's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the Clients. Such charges, fees and commissions are exclusive of and in addition to DLD's management fee, and DLD shall not receive any portion of these commissions, fees, and costs.

Please see Item 12 of this Brochure regarding brokerage.

D. Prepayment of Fees

In cases where an Investor acquires an Interest after the commencement of a calendar quarter, DLD will pro rate the management fee for such an Interest.

E. Outside Compensation for the Sale of Securities

Neither DLD nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with DLD.

The foregoing discussion in Item 5 represents DLD's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any Investor vary. Although DLD believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

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

As discussed in Item 5.A., DLD generally receives an incentive allocation with regard to the Private Funds equal to a percentage of the net income allocated to each Investor for the year, while DLD generally receives an incentive allocation with regard to the Sub-Advisory Funds equal to a percentage of the net income allocated to each Sub-Advisory Fund Investor for the month or the year (depending on the applicable Sub-Advisory Fund account). DLD, in its sole discretion, may reduce, waive or calculate differently the performance-based fees. At the same time, there may be Investors that do not qualify as “qualified clients” that are not charged performance-based fees. Such Investors, excluding Investors in the Sub-Advisory Funds, would be charged a higher management fee.

When DLD and its investment personnel manage more than one client account, a potential exists for one client account to be favored over another client account. DLD and its investment personnel have a greater incentive to favor client accounts that pay DLD higher performance-based compensation and/or higher overall fees than other client accounts.

The incentive allocation also provides a possible incentive for DLD to make riskier or more speculative investments on behalf of a client than it might make otherwise. Notwithstanding this potential incentive, DLD will evaluate investments in a manner that it considers to be in the best interest of its clients, given those clients’ investment objectives, investment strategies, suitability of the investment, and risk profile.

DLD has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with different fee structures or arrangements as discussed above and in Item 5.A, and the allocation of investment opportunities. These policies include the valuation of assets (which impact fees) and allocation of trades. DLD’s policies require that clients with similar investments objectives and strategies participate in investment opportunities *pro rata* based on net asset size, taking into account investment mandates and profiles (subject to certain exceptions including any restrictions imposed by the client), and require that, to the extent orders are aggregated for more than one client, each client receives the same average price. These areas are monitored by DLD’s Chief Compliance Officer and other relevant DLD personnel. Exceptions will be documented accordingly.

Please see Item 12 below for further description of DLD’s brokerage practices.

Item 7 – Types of Clients

DLD provides investment advice and management to the Private Funds, Registered Funds and Sub-Advisory Funds and provides the same or similar services to other privately placed investment funds, investment company products, and/or separately managed accounts.

With respect to the Private Funds, DLD intends to restrict the number of Investors and will offer Interests only through non-public transactions in order to maintain the Private Funds’ exclusion from “investment company” status under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

Prospective Investors must meet eligibility criteria and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review the applicable Constituent Documents, which set forth all of the terms in detail. Though the clients generally pursue the same strategy, offering terms differ.

- **The Private Funds.** Each Investor generally must be an “accredited investor” (as defined in Regulation D under the Securities Act of 1933, as amended (the “Securities Act”)), a “qualified purchaser” as that term is defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”) and a “qualified client” (as defined in Rule 205-3 under the Advisers Act and must meet other criteria as specified in the Constituent Documents.) The minimum initial investment is \$1,000,000, although DLD may accept investments in a lesser amount, subject to an absolute minimum of \$100,000. Notwithstanding the previous sentence, minimum investment amounts are subject to waiver at the discretion of DLD.
- **The Sub-Advisory Funds.** Each Investor generally must be an “accredited investor” (as defined in Regulation D under the Securities Act) and a “qualified client” (as defined in Rule 205-3 under the Advisers Act) and must meet other criteria as specified in the Constituent Documents.

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

A. Methods of Analysis

DLD’s Primary method of analysis is fundamental analysis using financial newspapers and magazines; inspection of corporate activities; research materials prepared by others; corporate rating services; timing services; annual reports, prospectuses, filings with the SEC; and company press releases.

B. Investment Strategies

DLD engages in event driven type strategies in order to pursue high returns on a risk-adjusted basis. DLD attempts to profit by understanding dynamic/fluid catalyst-driven situations, particularly in the equity and equity derivative markets, and structuring trades appropriately around this understanding. By using a diverse set of hedging instruments, DLD seeks to generate returns while limiting volatility and mitigating risk. The returns are expected to have a low correlation with traditional equity and fixed income investment strategies and provide additional diversification to a comprehensive wealth management strategy. DLD diversifies its portfolio by examining and investing in a diverse group of opportunities and by utilizing a spectrum of derivative hedging strategies. These strategies are focused on absolute returns while generally proving better risk/reward when compared to traditional event driven strategies.

DLD maintains an opportunistic approach to “investment selection” within the event driven space. An objective of DLD will be to find opportunities that potentially have broad implications for the companies involved and evaluating the risk/reward in structuring a trade around such event. DLD aims to have the ability to employ positions that express market directionality, as well as trades that are market neutral in nature. The strategy is not designed to capture the returns of a rising market, and conversely, it is not expected to decline in value as the markets fall. Rather, DLD intends that returns are generated as positions move towards DLD’s perception of their fair valuation or the underlying “event” is realized. DLD’s objective is to build a portfolio generating returns that are not dictated by the moves in the broad markets’ direction.

C. Risks of Investments and Strategies Utilized

Investing in securities involves risk of loss that Clients and Investors should be prepared to bear.

Investment and trading risk factors may include:

Investment Judgment; Market Risk. The profitability of a significant portion of a client’s investment program depends to a great extent upon correctly assessing the future course of the price movements of

securities and other investments. There can be no assurance that DLD will be able to predict accurately these price movements. With respect to the investment strategy utilized by a client, there is always some, and occasionally a significant, degree of market risk.

Market Conditions. Developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of market turmoil and the overall weakening of the financial services industry, the clients, their prime broker(s) and other financial institutions' financial condition may be adversely affected, and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on clients' business and operations. Moreover, market conditions have substantially reduced the availability of credit, which may have a material adverse effect on clients' ability to achieve their investment objectives with respect to any particular investment and/or the fund's entire portfolio, which could have a material adverse effect on the overall return objectives.

Small to Medium Capitalization Companies. A client may invest a portion of its assets in the stocks of companies with small- to medium-sized market capitalizations. While DLD believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Investment in Distressed Companies. The fact that certain of the companies in whose securities a client may invest are in transition, out of favor, financially leveraged or troubled or potentially troubled and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation, means that their securities are likely to be particularly risky investments, although they also may offer the potential for correspondingly high returns. 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 client's investment in any instrument, and some of the obligations and preferred stock in which a client invests may be less than investment grade.

Derivatives. Derivative instruments, or "derivatives," include futures, options, swaps, 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 can not only result in the loss of the entire investment, but may also expose a client to the possibility of a loss exceeding the original amount invested. Derivatives may also expose clients to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each party with whom a client contracts for the purpose of making derivative investments (the "Counterparty"). In the event of the Counterparty's default, the client will only rank as an unsecured creditor and risks the loss of

all or a portion of the amounts it is contractually entitled to receive.

Options. Investing in options can provide a 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.

Leverage. Subject to applicable margin and other limitations, clients may borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of a client's portfolio would be amplified. Interest on borrowings will be a portfolio expense of the client and will affect the operating results of the client. Also, the client could potentially create leverage via the use of instruments such as options and other derivative instruments.

Short Sales. A client may enter into transactions, known as "short sales," in which it sells a security it does not own in anticipation of a decline in the market value of the security. Short sales by the client that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. The client may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the client might have difficulty purchasing securities to meet its short sale delivery obligations and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

Illiquidity. The investments made by a client may become very illiquid, and consequently the client may not be able to sell such investments at prices that reflect DLD's assessment of their value or the amount paid for such investments by the client. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by the client and other factors. Furthermore, the nature of a client's investments, especially those in financially distressed companies, may require a long holding period prior to profitability. The client is authorized to make distributions in kind (including interests in affiliated liquidating vehicles) of securities in lieu of or in addition to cash. In the event a client makes distributions of securities in kind, such securities could be illiquid or subject to legal, contractual and other restrictions on transfer.

Foreign Securities. Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the clients are maintained) and the various foreign currencies in which the client's portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt.

Interest Rate Fluctuations. The prices of portfolio investments may be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs to the client of borrowed securities and leveraged investments.

Event-Driven Trading Risks. The profitability of certain client investments depends on the result of, or success following, some significant corporate event (such as a merger, a corporate restructuring, changes in management, a sale of assets, regulatory rulings, etc.). Corporate events are affected by numerous factors including not only market movements generally, but also regulatory intervention, shareholders' consent and changes in interest rates and economic outlook. The risk of non-consummation of a significant corporate event, and the risk of a significant corporate event failing to yield the expected results, can be high, and unexpected outcomes can lead to substantial losses.

Merger Arbitrage/Deal Risk. Clients may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing workouts, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the client of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the client may be required to sell its investments at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the client may invest, there is a potential risk of loss by the client of its entire investment in such companies.

Arbitrage Strategies Risk. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in different forms. Examples of arbitrage strategies include event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income or interest rate arbitrage, statistical arbitrage, debt spread arbitrage and index arbitrage. DLD may employ any one or more of these arbitrage strategies. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the client is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads," which can also be identified, reduced or eliminated by other market participants.

Portfolio Turnover. The investment strategy of a client may require DLD to actively trade the clients' portfolios, and as a result, turnover and brokerage commission expenses of a client may significantly exceed those of other investment entities of comparable size.

Post-Reorganization Securities. Post-reorganization securities typically entail a higher degree of risk than investments in securities of companies which have not undergone a reorganization or restructuring. Moreover, post-reorganization securities can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganization or restructuring. If DLD's evaluation of the anticipated outcome of an investment situation should prove incorrect, a client could experience a loss.

Complexity of Legal and Financial Analysis. The companies in which a client may invest, by the nature of their leveraged capital structures, may involve a high degree of financial risk, and there can be no assurance that the client's rate of return objectives will be realized or that there will be full recovery of the shareholders' investment. Moreover, there may be no centralized source for pricing information regarding

securities of companies in which DLD intends to invest. Reliable pricing information may at times not be available from any source and, to the extent available, prices quoted by different sources are subject to material variation. Accordingly, it may be difficult to accurately determine an appropriate purchase price for the client's investments.

Market Disruptions. A client may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect with historical prices 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 a client from banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to a client. A sudden restriction of credit by the dealer community has resulted in forced liquidations and major losses for a number of investment funds and other vehicles. Because market disruptions and losses in one sector can cause ripple effects in other sectors, many investment funds and other vehicles have suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for a client and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for a client to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for a client to close out positions.

Investments in Undervalued Assets. A client may invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in involve a high degree of financial risk and can result in substantial losses. Returns generated from a client's investments may not adequately compensate investors for the business and financial risks assumed. An investor should be aware that it may lose all or part of its investment in the fund.

A Client may be forced to sell, at a substantial loss, assets that are not, in fact, undervalued. In addition, a client may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion of the Client's capital would be committed to the assets purchased, possibly preventing the Client from investing in other opportunities. In addition, the client may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Commodities and Futures. A client may trade on a limited basis in commodities and futures. Such trading activity is regulated by the Commodity Futures Trading Commission (the "CFTC"). Pursuant to an exemption from registration under CFTC regulations, DLD is not required to register, and is not registered, with the CFTC or the National Futures Association ("NFA") as a commodity pool operator (a "CPO") or as a commodity trading advisor ("CTA").

To comply with the exemption, DLD is subject to specific limitations on the amount of commodities and futures that it can trade on behalf of a client. Should a client's investments in commodities or futures instruments exceed the limits provided by the applicable exemption from registration, DLD will either have to register with the NFA or cease providing commodity interest trading advice to the Client and liquidate the client's holdings of commodities and futures which could result in losses and additional costs to the client.

Investment Authority. Substantially all decisions with respect to the management of the clients are made by DLD. Investors have no right or power to take part in the management of the clients.

Other Business Interruptions. Our investment advisory activities or operations could be interrupted or adversely affected by extraordinary events, emergency situations or circumstances beyond our control, including, without limitation, outbreaks of infectious diseases, pandemics or any other serious public health concerns, war, terrorism, failure of technology, accidents, disasters, government macroeconomic policies or social instability. In order to mitigate the effects of these types of events, we may activate our business continuity and disaster recovery plans. These plans may, for example, require our employees to work and access our information technology, communications or other systems from their homes or other remote locations. However, our business continuity and disaster recovery plans may not be successful, or we could be delayed in implementing or recovering our investment advisory activities or operations. For example, we may have issues or delays in accessing our information technology, communications or other systems, which could have a material adverse effect on our business.

More information about the investments and the associated risk factors is available in the Constituent Documents.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with DLD. Prospective Investors and clients should read the entire Brochure as well the Constituent Documents, other materials that may be provided by DLD and consult with their own advisers prior to engaging DLD's services.

Item 9 – Disciplinary Information

DLD and its management persons have not been a party to any legal or disciplinary events that would be material to an Investor's or prospective Investor's evaluation of its investment advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither DLD nor its employees are registered as a broker-dealer or broker-dealer representative. The compliance officer consultant is a registered representative.

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

Neither DLD nor its management persons is registered as futures commission merchant, commodity pool operator, or a commodity trading advisor.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

There are no other relationships or arrangements that are material to this advisory business.

D. Selection of Other Advisors or Managers

DLD does not utilize nor select other advisors or third-party managers. All assets are managed by DLD.

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

A. Code of Ethics

DLD has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act. The Code governs the activities of each member, officer, director and employee of DLD (collectively, “Employees”). DLD holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the clients. In serving its clients, DLD strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions: (a) at all times the interests of the clients must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

DLD will provide a copy of its Code of Ethics to clients and prospective clients upon request. Such a request may be made by submitting a written request to DLD at the address on the cover page to this Brochure.

B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients

Although DLD’s policies and procedures generally prohibit its Employees and related persons from trading in the same instruments that DLD buys or sells for client accounts, there may be limited circumstances in which DLD, its Employees and/or the related persons may also personally buy or sell the same instruments that DLD buys or sells for client accounts, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for client accounts because of DLD’s recommendations regarding a particular security. DLD’s policy as to such transactions is that neither DLD nor any of its Employees or related persons is to benefit from price movements that may be caused by transactions for client accounts or otherwise. DLD addresses this conflict by requiring employees to sign and adhere to DLD’s Code of Ethics and to report personal securities holdings and transactions to DLD.

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

As discussed above, from time to time, DLD, its Employees, or related persons of DLD may buy or sell securities for themselves that DLD also recommends to clients. DLD will always document any transactions that could be construed as conflicts of interest and will always transact client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

Item 12 – Brokerage Practices

A. Factors Used to Select or Recommend Broker-Dealers

DLD will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, DLD considers such factors as the broker-dealer's research capabilities and the success of prior research recommendations (including private equity financings), ability to efficiently execute difficult trades (such as those in illiquid markets or trades of substantial size), the broker's risk in positioning a block of securities, commitment of capital, access to new issues, nature and frequency of sales coverage, depth of services provided, including economic or political coverage, arbitrage and option operations, back office and processing capabilities, financial strength, stability and responsibility, efficiency, reputation, access to markets, confidentiality, commission rate, responsiveness to DLD and the value of research and brokerage and research products and services provided by such brokers ("soft dollar items"), subject at all times to principles of best execution, in accordance with the DLD's policies and procedures. In selecting broker-dealers on the basis of the foregoing factors, DLD may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. In connection therewith, DLD will make a good faith determination that the amount of commission is reasonable in relation to the value of the research or brokerage services received, viewed in terms of either the specific transaction or DLD's overall responsibility to the clients. DLD will regularly evaluate the placement of brokerage services and the reasonableness of commissions paid.

DLD also executes trades with brokers and dealers with whom a client or DLD has other business relationships, including prime brokerage, credit relationships and capital introduction or investments by affiliates of the broker-dealers to the client or other entities managed by DLD. However, DLD does not believe that these other relationships will influence the choice of brokers and dealers who execute trades for clients.

1. Research and Other Soft Dollar Benefits

DLD will effect transactions with broker-dealers who provide research services (collectively, "soft-dollar items") to DLD that assist DLD in making investment and trading decisions on behalf of its clients. The commissions paid to broker-dealers supplying soft-dollar items may not represent the lowest obtainable commission rates. In any such arrangement, the amount of the commission paid must be reasonable in relation to the value of the brokerage and soft-dollar items provided by the broker-dealer, viewed in terms of either the particular transaction or DLD's overall responsibilities with respect to its clients. DLD intends to comply with the soft-dollar "safe harbor" afforded by Section 28(e) under the Securities Exchange Act of 1934, as amended.

When DLD uses client brokerage commissions to obtain soft-dollar items, it receives a benefit, because it does not have to produce or pay for such soft-dollar items. However, DLD believes that such soft dollar items may provide the clients with benefits by supplementing the research and services otherwise available to the clients. In addition, the research and other benefits resulting from a brokerage relationship benefit all client accounts or DLD's operations as a whole, including any client accounts that direct DLD to use a broker that does not provide soft dollar benefits.

DLD has an incentive to select or recommend a broker-dealer based on its interest in receiving the soft-dollar items, rather than on the client's interest in receiving most favorable execution. DLD periodically

reviews the execution performance of its brokers to ensure that any potential conflicts of interests are resolved.

To the extent that DLD does engage in such “soft dollar” arrangements, the client will be charged a brokerage commission in excess of that which another broker might charge for effecting the same transaction if DLD determines in good faith that such commission is reasonable in relation to the value of the brokerage, research, other services and soft dollar relationships provided by that broker, viewed in terms of either the specific transaction or DLD’s overall responsibilities to the portfolios over which DLD exercises investment authority.

Soft-dollar items, whether provided directly or indirectly, will be utilized for the benefit of DLD’s and its affiliates’ other accounts. Soft-dollar items are not limited to those clients who may have generated a particular benefit. Soft dollar benefits are not proportionally allocated to any accounts that generate different amounts of the soft dollar benefits. DLD receives soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms.

Within the last fiscal year, DLD used “soft-dollars” to receive broker-dealer research reports, company financial data and economic data.

A broker from which DLD obtains soft dollar services establish “credits” which will be used to pay for specified expenses. In some cases, broker-dealers provide products and services paid for through the use of soft dollars directly. DLD monitors the soft dollar services provided to ensure that appropriate transactions are executed with a soft dollar provider.

2. Brokerage for Client Referrals

In selecting or recommending broker-dealers, DLD does not consider client referrals from a broker-dealer. DLD does receive referrals in the future and if it does it will appropriately amend this Brochure.

3. Directed Brokerage

DLD does not direct brokerage. Securities transactions are executed by brokers selected by DLD in its discretion and without the consent of the client or its Investors. DLD may enter into directed brokerage arrangements in its discretion.

B. Aggregating Trading for Multiple Client Accounts

DLD may give advice or take action with respect to any client which may be the same as or different from the advice given or the timing or nature of any action taken with respect to investments of another client. Allocations of investment opportunities among various clients will be made in the judgment of DLD based on the investment objectives of the clients. DLD does (but is not required to) combine orders on behalf of one client account with orders for other client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. Aggregation opportunities for DLD generally arise when more than one client, including the clients, is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. DLD is not required to aggregate client trades, however, it will generally do so, subject to best execution. When aggregating orders, DLD must treat all clients in a fair and equitable manner.

DLD will aggregate orders only when aggregation is consistent with its obligation to obtain best execution

for client account securities transactions and the terms of the investment guidelines and restrictions of each client, including the clients, for which trades are being aggregated. When DLD aggregates client trades, allocations will not be made on the basis of the amount of compensation or profits that are likely to be realized by DLD, and no client will be favored over any other client; each client that participates in an aggregated order will participate at the average price for all of DLD's transactions in that security on a given business day, with transaction costs shared *pro rata* based on each client's participation in the transaction.

Upon entering an aggregated order, DLD's order management system automatically allocates the order based on a pre-determined pro-rata formula that specifies the participating clients and how the order will be allocated among those clients. If the aggregated order is filled in its entirety, it will be allocated among the clients in accordance with the allocation in the order management system. On occasion, DLD will not be able to purchase or sell all of the securities ordered as part of an aggregated order in a single day. If the order is partially filled, it will generally be allocated *pro rata* in proportion to the size of the orders placed for each client to the extent practicable based on the original allocation assigned in the order management system.

As a general matter, DLD allocates securities among client accounts with the same or similar investment objectives on a *pro rata* basis where appropriate relative to the investment objectives. Notwithstanding the foregoing, an aggregated order will be allocated on a non-pro rata basis only if it is necessary to be in compliance with a client's investment guidelines and restrictions, capital inflows/outflows, available cash, liquidity requirements and tax or legal requirements.

DLD may have incentives to allocated certain positions to one or more client account but not to other clients due to how the different portfolio compositions of each client account can impact the performance of any such entity and the resulting performance (incentive) fee or allocation. DLD has developed internal policies designed to allocate trades on a fair and equitable basis and identify conflicts of interest in making investment decisions of the clients. Such policies include a requirement to document the investment basis on which an allocation is made when it is made on other than a pro rata basis (taking into account the differing investment objectives and profiles of each client) and that DLD's Chief Compliance Officer periodically reviews such allocations and the reasons therefore.

Item 13 – Review of Accounts

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

DLD reviews client accounts on a daily basis to ensure consistency with the client's strategy and performance objectives. Asset allocation, cash management, market prospects and individual issue prospects are considered. The reviews are conducted by the Chief Investment Officer and/or the Chief Financial Officer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews take place more frequently if triggered by economic, market or political conditions.

C. Content and Frequency of Regular Reports

Investors in the clients will generally receive unaudited reports of performance monthly and will receive audited year-end financial statements annually.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties

DLD does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the client.

B. Compensation to Non-Advisory Personnel for Client Referrals

DLD has engaged Asset Allocation AG to refer prospective Investors to DLD in return for a portion of the fees and compensation paid to DLD by any such referred Investor. Under this arrangement, Asset Allocation AG can refer prospective Investors to DLD in its sole discretion, and DLD can agree to provide advisory services to such referred prospective Investors in its sole discretion. In return for such referral services, DLD pays Asset Allocation AG a portion of the asset-based management fees and incentive allocations received by DLD, if any, from Investors referred to DLD by Asset Allocation AG. In addition, DLD reimburses Asset Allocation AG for certain expenses incurred by Asset Allocation AG in connection with its referral arrangement with DLD. All compensation paid and expenses reimbursed by DLD to Asset Allocation AG is paid from the fees or compensation DLD receives from its Investors. Investors are not responsible for any additional fees or expenses in connection with the referral arrangement with Asset Allocation AG. To the extent applicable, DLD complies with the requirements of Rule 206(4)-3 of the Advisers Act in connection with this arrangement with Silver Leaf.

If in the future DLD enters into any additional arrangements where DLD or its related persons compensates any person who is not advisory personnel for client referrals, this Brochure will be appropriately amended.

Item 15 – Custody

SEC rules that, because DLD and/or its related persons are the general partner of one or more of the Clients and have authority to obtain funds, for example, by deducting fees or otherwise withdrawing funds from a client's account, DLD or its related persons are considered to have "custody" of the clients' assets, even though independent custodians (Prime Brokers) actually hold those assets. DLD satisfies the SEC's custody requirements by holding the clients' assets with a qualified custodian and providing the clients' Investors with audited financial statements by a specified time each year.

Item 16 – Investment Discretion

The Constituent Documents generally authorize DLD to invest and trade the clients' assets in a broad range of investments, to be selected at DLD's sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, DLD will enter any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

- **The Private Funds.** Pursuant to the Private Fund's governing documents, each Investor in the Private Fund designates DLD as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Private Fund's business and affairs, including execution of the Private Fund's governing documents. An Investor's execution of the Private Fund's subscription agreement constitutes its execution of the Private Fund's governing documents.

- **The Registered Funds.** Pursuant to the Registered Fund's Trust's sub-advisory agreement and governing documents, the applicable Trust designates DLD as their limited attorney-in-fact. Notwithstanding the previous sentence, DLD shall not have authority to withdraw, pay or transfer monies or deliver or transfer securities out of Registered Fund or to deposit additional funds into the Registered Fund, such rights having been reserved exclusively to the applicable Trust.
- **The Sub-Advisory Funds.** Pursuant to the Sub-Advisory Funds' sub-advisory agreements, the Sub-Advisory Funds designate DLD as their limited attorney-in-fact. Notwithstanding the previous sentence, DLD shall not have authority to withdraw, pay or transfer monies or deliver or transfer securities out of Sub-Advisory Fund Investor accounts or to deposit additional funds into Sub-Advisory Fund Investor Accounts, such rights having been reserved exclusively to the Sub-Advisory Fund.

Item 17 – Voting Client Securities

The Private Funds: DLD will not have authority to vote proxies on behalf of the Private Funds. If in the future DLD obtains authority to vote proxies, this Brochure will be appropriately amended.

It is the policy of DLD that the exercise of proxy voting authority in respect to the Private Funds' securities shall be the responsibility of its Investors.

As part of their agreements with custodians, the Private Funds will direct custodians to send all necessary proxy voting materials and notices directly to the Investors from the custodians holding such securities. DLD believes that the Private Funds' Investors, after reviewing such proxy materials, can then decide and vote proxy-voting issues in their own best interest.

DLD does not give specific advice to the Private Funds' Investors whether to participate or refrain from participation in investor class action suits. The Private Funds' Investors will receive in the normal course of business all brokerage statements and confirmations necessary to complete such materials for securities traded while under DLD's management.

The Sub-Advisory and Registered Funds: While DLD typically will not have authority to vote proxies on behalf of the Sub-Advisory and Registered Funds, DLD currently does have the authority to vote certain proxies on behalf of Sub-Advisory Funds and Registered Fund. If in the future DLD intends to vote proxies on behalf of additional Sub-Advisory Registered Funds, this Brochure will be appropriately amended.

With respect to the Sub-Advisory Funds and Registered Fund in which DLD does exercise voting authority, DLD will monitor corporate events and to vote proxies, as well as a duty to cast votes in the best interest of clients and not subrogate client interests to its own interests. Rule 206(4)-6 under the Advisers Act (the "Proxy Voting Rule") places specific requirements on registered investment advisers with proxy voting authority. Because the Firm has discretionary authority over the securities held by its clients, the Firm is viewed as having proxy voting authority.

DLD generally does not vote proxies on behalf of clients. In many of the emerging markets in which DLD's clients invest, proxy voting remains hindered by archaic voting practices such as share blocking, unreasonable voting deadlines, the need for power of attorney signatures, high fees, disclosure of little or no information concerning how votes are carried out, voting by a show of hands as opposed to ballot and

three to four levels of intermediaries between shareholders and the company. Because of the potential for voting proxies to result in restrictions on DLD's ability to trade the underlying securities (i.e., share blocking), DLD generally does not vote proxies on behalf of clients. However, DLD will exercise proxy voting authority on behalf of a certain clients as requested.

Item 18 – Financial Information

DLD has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients, and has not been the subject of a bankruptcy petition.

A. Balance Sheet

DLD does not require nor solicit prepayment of more than \$500 in fees per Investor, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

DLD has discretionary authority over clients' assets. At this time, neither DLD nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to the fund.

C. Bankruptcy Petitions in Previous Years

DLD has not been the subject of a bankruptcy petition in the last ten years.

Item 19 – Requirements for State-Registered Advisers

DLD is registered as an investment advisor with the U.S. Securities and Exchange Commission and therefore does not need to include responses pertaining to state-registered advisers with this Brochure.