

INVESTMENT ADVISER BROCHURE

GRYPHON ADVISORS, LLC

Part 2A of Form ADV

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Gryphon Advisors, LLC (“Gryphon Advisors”). If you have any questions about the contents of this Brochure, please contact us at (415) 217-7400. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

Gryphon Advisors is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Gryphon Advisors is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

Gryphon Advisors filed its most recent Form ADV Part 2A on March 30, 2021. This annual amendment updates the assets under management of Gryphon Advisors, as well as the description of the business practices of Gryphon Advisors and its affiliates, including, but not limited to, updates to the Funds (as defined herein) managed by Gryphon Advisors, additional information regarding Fund expenses, investment risks, and conflicts of interest.

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ADVISORY BUSINESS

Gryphon Advisors is a private investment management firm, including several investment advisory entities and other affiliated organizations with Gryphon Advisors (collectively, “Gryphon”), that manages private fund assets. Gryphon commenced operations in 1995.

Gryphon Advisors, a Delaware limited liability company and a registered investment adviser, together with its affiliated investment advisers, provides investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. Gryphon Advisors commenced operations in June 1999.

The following general partner entities are affiliated with Gryphon Advisors (collectively with Gryphon Advisors, the “Advisers”):

- Gryphon GenPar 3.5, L.P. (“GP 3.5”);
- Gryphon GenPar IV, L.P. (“GP IV”);
- Gryphon Mezzanine Partners GP, L.P. (“GP Mezz”);
- Gryphon GenPar V, L.P. (“GP V”);
- Gryphon Mezzanine Partners GP II, L.P. (“GP Mezz II”);
- Gryphon GenPar VI, L.P. (“GP VI”); and
- Gryphon Heritage GenPar, L.P. (“GP Heritage” and, together with GP 3.5, GP IV, GP Mezz, GP V, GP Mezz II, and GP VI, the “General Partners”).

Each General Partner listed above is subject to the Advisers Act pursuant to Gryphon Advisors’ registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with Gryphon Advisors.

Gryphon Advisors serves as the management company of:

- Gryphon Partners 3.5, L.P. and Gryphon Partners 3.5-A, L.P., each a Delaware limited partnership (collectively, “Gryphon 3.5”);
- Gryphon Partners IV, L.P., Gryphon Partners IV-A, L.P., and Gryphon Co-Invest Fund IV, L.P. (“Co-Invest Fund IV”), each a Delaware limited partnership (collectively, “Gryphon IV”);
- Gryphon Mezzanine Partners, L.P., a Delaware limited partnership, and Gryphon Mezzanine Co-Invest Fund, LLC, a Delaware limited liability company (“Mezz Co-Invest” and, collectively, “Gryphon Mezz”);
- Gryphon Partners V, L.P., Gryphon Partners V-A, L.P., Gryphon Partners V-B, L.P., Gryphon Partners V-C(I), L.P., and Gryphon Partners V-C(II), L.P., each a Delaware limited partnership (collectively, “Gryphon V”);

- Gryphon Mezzanine Partners II, L.P. and Gryphon Mezzanine Partners II Feeder Fund, L.P., each a Delaware limited partnership, and Gryphon Mezzanine Co-Invest Fund II, LLC, a Delaware limited liability company (“Mezz Co-Invest II” and, collectively, “Gryphon Mezz II”);
- Gryphon Partners VI, L.P. and Gryphon Partners VI-A, L.P. (collectively, “Gryphon VI”); and
- Gryphon Heritage Partners, L.P. and Gryphon Heritage Partners A, L.P. (collectively, “Gryphon Heritage” and, together with Gryphon 3.5, Gryphon IV, Gryphon Mezz, Gryphon V, Gryphon Mezz II, Gryphon VI, and their respective parallel and alternative investment vehicles, the “Funds”).

The General Partners each serve as general partner to one or more of the Funds and have the authority to make the investment decisions for the Funds to which they provide advisory services. In its capacity as the management company of the Funds, Gryphon Advisors has the authority to manage the business and affairs of the Funds.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” The Advisers’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments, and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted in certain instances. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Gryphon Advisors or its affiliates generally serve on the boards of directors (or other governing bodies) of such portfolio companies or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Gryphon Advisors’ advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a “Memorandum”) and limited partnership or other operating agreements of the Funds (each, a “Partnership Agreement” and, together with any relevant Memorandum, the “Governing Documents”), and are further described below under “Methods of Analysis, Investment Strategies, and Risk of Loss.” Investors in the Funds (generally referred to herein as “investors” or “Limited Partners”) participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Gryphon and any investor. The Funds or the Advisers generally enter into side letters or other similar agreements (“Side Letters”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms of, the Governing Documents with respect to such investors.

Additionally, from time to time and as permitted by the Governing Documents, the Advisers expect to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-investment vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants, and other service providers, the Adviser’s personnel, and/or certain other persons associated with the Advisers and/or their affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-

invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in Gryphon's sole discretion, Gryphon reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of December 31, 2021, Gryphon managed approximately \$9.07 billion in client assets on a discretionary basis. The principal owner of Gryphon Advisors is R. David Andrews.

FEES AND COMPENSATION

In general, the Advisers receive a Management Fee (as defined herein) and a carried interest in connection with the provision of advisory services to its clients. The Advisers or their affiliates receive additional compensation in connection with management and other services performed (e.g., monitoring and other fees) for portfolio companies of the Funds and such additional compensation will offset, in whole or in part, the applicable Management Fee otherwise payable to the Advisers to the extent provided by the Governing Documents. In addition, the Advisers receive compensation in connection with services provided by members of the Gryphon Operations Resources Group (the "ORG") to portfolio companies or prospective portfolio companies in which one or more Funds invest or are considering an investment, and such compensation will not offset the applicable Management Fee. Investors in the Funds also bear certain expenses. Additionally, the Advisers are permitted to recover certain losses incurred in the operation of the ORG, as specified in the relevant Governing Documents.

Management Fees

Each Fund (other than Mezz Co-Invest and Mezz Co-Invest II) pays or will pay the applicable General Partner, semiannually, partially in advance and partially in arrears, a management fee (the "Management Fee") equal, on an annual basis, to: (i) in the case of Gryphon 3.5 and Co-Investment Fund IV, 2.0% of aggregate unreturned invested capital; (ii) in the case of Gryphon Mezz (other than Mezz Co-Invest) and Gryphon Mezz II (other than Mezz Co-Invest II), 1.75% of aggregate unreturned invested capital; and (iii) in the case of Gryphon IV (other than Co-Invest Fund IV), Gryphon V, Gryphon VI, and Gryphon Heritage, 2.0% of aggregate investor capital commitments ("Commitments"). Upon the earlier to occur of the expiration of the investment period or the occurrence of certain other events specified in the relevant Governing Documents, the Management Fee: (i) in the case of Gryphon Mezz and Gryphon Mezz II (other than Mezz Co-Invest II), will be reduced to 1.5% of aggregate unreturned invested capital; and (ii) in the case of Gryphon 3.5, Gryphon IV, Gryphon V, Gryphon VI, and Gryphon Heritage, upon the earlier to occur of the expiration of the investment period or the occurrence of certain other events specified in the relevant Governing Documents, the Management Fee will be reduced to 2.0% of the aggregate amount of capital invested in investments that have not been disposed of, written off or permanently written down, as further described in the relevant Governing Documents.

The Management Fee will be payable throughout the life of the Funds, as described in the Governing Documents. Installments of the Management Fee payable for any period other than a full six-month period are adjusted on a *pro rata* basis according to the actual number of days in such period.

To the extent specified in a Fund's Governing Documents, Gryphon Advisors or another Gryphon entity will be permitted to receive certain supplemental fees and other amounts ("Supplemental Fees") without offset against the Management Fee consisting of: (i) in the case of Gryphon 3.5 and Gryphon IV, either 50% or 80% of any fees paid to Gryphon Advisors or another Gryphon entity, based on the type of fee and whether certain hurdles specified in the Governing Documents have been reached (subject, in the

case of Gryphon 3.5, to a cap, and 100% of any fees paid to Gryphon Advisors or another Gryphon entity in excess of the applicable cap); (ii) in the case of Gryphon V, 100% of any fees paid to Gryphon Advisors or another Gryphon entity; and (iii) in the case of Gryphon Mezz, Gryphon Mezz II, Gryphon VI, and Gryphon Heritage, 100% of any fees paid to Gryphon Advisors or another Gryphon entity. The remaining portion of Gryphon portfolio company-related fees not retained by Gryphon Advisors or another Gryphon entity will be credited as an offset against the Management Fee. To the extent that such an offset credit would reduce the Management Fee for the relevant period below zero, the credit will be carried forward for future application against payable Management Fees. To the extent any such excess remains unapplied upon dissolution of a Fund, each partner of such Fund will receive its share of such unapplied excess, unless such partner elects not to receive its share. To the extent that any other Fund or any other entity or individual co-invests alongside a Fund in any portfolio company investment, any Supplemental Fees will be allocated among such Fund and the co-investors in proportion to the cost of the investment or potential investment in the portfolio company held (or committed to be held) by each. Additionally, where specified by the relevant Governing Documents, the relevant offset percentage will be calculated solely based on the percentage of the relevant Fund beneficially owned by unaffiliated parties. Accordingly, a Fund will, in most cases, only benefit with respect to the relevant allocable portion of any such Supplemental Fee and not the portion of any fee related to General Partner or unaffiliated partner commitments or allocable to any other investor in a portfolio company.

In certain circumstances, Gryphon Advisors expects that co-investors from time to time will negotiate the right to share a portion of Supplemental Fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such co-investors. Additionally, as further described below and in the Governing Documents, it is Gryphon Advisors' practice to use or retain certain ORG members to provide services to (or with respect to) certain portfolio companies or prospective portfolio companies in which one or more Funds invest or are considering an investment. Such ORG members generally receive compensation and other amounts described herein from the relevant portfolio companies, prospective portfolio companies or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. For the avoidance of doubt, Gryphon Advisors also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

Gryphon Advisors and/or its affiliates generally have discretion over whether to charge such Supplemental Fees or other compensation to a portfolio company and, if so, the rate, timing, and/or amount of such Supplemental Fees or other compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Gryphon Advisors and/or its affiliates, on the other hand. A Fund will, in most cases, only benefit with respect to its allocable portion of any such Supplemental Fees and not the portion of any fee allocable to another entity, including, if applicable, any co-investment vehicle.

The Management Fee will commence as of the effective date of a Fund based on aggregate Commitments, regardless of when a Limited Partner in a Fund is actually admitted. The Management Fee will be paid out of current income and disposition proceeds of the applicable Fund and, in the applicable General Partner's discretion, from drawdowns that will reduce unfunded Commitments.

As permitted under the Governing Documents, each of GP 3.5, GP IV, GP V, GP VI, and GP Heritage reserve the right to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Governing Documents as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the applicable Fund. The Limited Partners of Gryphon 3.5, Gryphon IV, Gryphon V, Gryphon VI, or Gryphon Heritage would, in such circumstances, be required to make a *pro rata* contribution according to

their respective Commitments to fund any capital contribution that would otherwise be required of the applicable General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by a General Partner and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by investors in a Fund, resulting in a net additional benefit to the applicable General Partner.

Carried Interest

Each General Partner is generally entitled to receive a carried interest with respect to certain Funds equal to 20% of all realized profits subject to an 8% annually compounded preferred return hurdle, other return parameters specified in the Governing Documents, and the related general partner catch-up provision, in each case as more fully described in the Governing Documents. The carried interest distributed to a General Partner is subject to a potential giveback at the end of the life of a Fund if the respective General Partner has received excess cumulative distributions.

It is expected that any future Funds will have a similar compensation structure.

Other Information

The Advisers are generally permitted to exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, investment through a separate class of limited partnership interests of a given Fund, or through other Funds which co-invest alongside the Funds. For example, in instances where an Adviser professional or its affiliate invests in a Fund, such professional or its affiliate generally will be exempt from payment of the Management Fee and/or carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, certain General Partners have the right to permit investors, affiliated with the General Partner or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees and/or carried interest.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of Gryphon generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest, or other compensation received by the Advisers or their affiliates.

In addition to the Management Fee and carried interest payable to the Advisers, each Fund bears certain expenses. As set forth more fully in the Governing Documents, each Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries' and intermediate entities') activities, investments, and business to the extent not reimbursed by portfolio companies, including all costs, expenses, fees, liabilities, and obligations relating or attributable to: (i) activities with respect to the identifying, structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, diligencing (including any subscriptions to any periodicals, databases and/or research services), bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, a Fund's portfolio companies and its actual and potential investments (including follow-on investments) or seeking

to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful (“Broken Deal Expenses”); (ii) indebtedness of, or guarantees made by, a Fund, Gryphon Advisors, the relevant General Partner or any “affiliated partner” on behalf of a Fund (including any credit facility, letter of credit or similar credit support), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar third-party fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository and local paying agent (including any depository appointed pursuant to the European Union Alternative Investment Fund Managers Directive (EU 2011/61/EU, together with Commission Delegated Regulation (EU) No 231/2013 supplementing the Directive, as well as any similar or supplementary law, rule or regulation or guidance including any equivalent or similar law, rule or regulation or guidance implemented in the United Kingdom as a result of it ceasing to be part of the European Union, or subordinate legislation thereto, as implemented in any relevant jurisdiction the “AIFMD”), Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Schemes Act Dated June 23, 2006 as amended (CISA) (including any law, rule or regulation relating to the implementation thereof), trustee, record keeping, account and similar services; (vi) expenses associated with the reporting, filings or other ongoing compliance requirements contemplated by the AIFMD (excluding, for the avoidance of doubt, the initial and/or preliminary registrations, filings and compliance obligations related thereto), including secondary legislation, regulations, rules and/or associated guidance, and any related requirements, trustee, record keeping, account and similar services; (vii) legal, accounting, research, auditing, administration (including fees and expenses associated with a Fund’s third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services as well as costs related to the establishment or maintenance of such other services), consulting (including consulting and retainer fees, salary and other compensation paid and benefits provided to the ORG or any of its members, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services; (viii) reverse breakup, termination and other similar fees; (ix) insurance, including directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses (including any costs and expenses related to any retention or deductibles and broker fees, costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance policies; (x) filing, title, survey, transfer, registration and other similar fees and expenses; (xi) printing, communications, mailing, courier, marketing and publicity; (xii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with partners, or any other administrative, compliance or regulatory filings or reports (including Form PF and Bureau of Economic Analysis Reports), or other information, including fees and expenses of any third-party service providers and professionals related to the foregoing; (xiii) compliance with any tax or financial account reporting regime, including the Foreign Account Tax Compliance Act (FATCA), the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, including any fees, costs and expenses of any third-party service providers and professionals related to the foregoing; (xiv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services) for the benefit of a Fund or the Limited Partners; (xv) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs and

expenses incurred in connection with the EU Data Protection Law or FOIA (each as defined in the Governing Documents)); (xvi) to the extent provided in the Governing Documents, or otherwise approved by the relevant General Partner in its sole discretion, activities or proceedings of a Fund's advisory board (including any reasonable out-of-pocket costs and expenses incurred by representatives of the relevant General Partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board); (xvii) indemnification (including legal and any other fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the Governing Documents and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents), except as otherwise set forth in the Governing Documents; (xviii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xix) any annual Limited Partner meeting or other periodic, if any, meetings of the Limited Partners and any other conference, meeting or webcast or other video conference with any Limited Partner(s); (xx) except as otherwise determined by the relevant General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to a Fund to the extent not paid by the investors investing in such entities and any other costs and expenses related to any structuring or restructuring of any alternative investment vehicle, portfolio company or portfolio company of any alternative investment vehicle; (xxi) the termination, liquidation, winding up or dissolution of a Fund and any legal entities owned directly or indirectly by a Fund, including portfolio companies and related entities; (xxii) defaults by partners in the payment of any capital contributions; (xxiii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Fund, the relevant General Partner and any alternative investment vehicle of a Fund, including the preparation, distribution and implementation thereof; (xxiv)(A) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or third-party service provider fees, costs and expenses related thereto, and/or (B) the validation or other confirmation of any payments made to a Fund or the relevant General Partner (including as a result of any anti-money laundering laws, rules or regulations); (xxv) any litigation or governmental inquiry, investigation or proceeding involving a Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Governing Documents; (xxvi) any experts engaged, including independent appraisers engaged by the relevant General Partner in connection with a Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same person as one or more investment vehicles (other than a Fund) managed or controlled by the relevant General Partner or any of its affiliates; (xxvii) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a Limited Partner and any Limited Partner's name change, internal restricting or change in trust, registered agent or custodian; (xxviii) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, inquiry, investigation settlement or review of a Fund (except to the extent that such Fund is reimbursed therefor by a partner pursuant to the Governing Documents) and any costs and expenses of or related to the "partnership representative" of a Fund; (xxix) distributions to the partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses; (xxx) unreimbursed expenses and unpaid fees of the ORG or its members; (xxxi) compliance or regulatory matters related to a Fund, except as set forth in the Governing Documents, including compliance or regulatory matters related to portfolio companies, prospective portfolio companies or actual or potential investments of a Fund, as well as compliance with the Governing Documents and/or any Side Letters and costs and expenses incurred in connection with the

most favored nations process; (xxxii) any travel (including, where appropriate as determined by the relevant General Partner, the cost of using any private aircraft or other private air travel at a cost up to (A) an amount equal to the corresponding first class commercial airfare, as determined by the General Partner, or (B) the actual cost of such travel if the relevant General Partner determines that private aircraft or other private air travel is the only convenient means to reach a given location), car or ride sharing services and other modes of transportation, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxiii) any fees payable to any placement agent in connection with the formation of a Fund; and (xxxiv) any other fees, costs, expenses, liabilities or obligations approved by a Fund's advisory board. As a general matter, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of the Advisers and/or their affiliates and ORG members; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities, and obligations of legal counsel, consultants, and/or other service providers to procure, develop, establish, review, revise, customize, upgrade, and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Supplemental Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction, or, to the extent necessary or desirable for operational, administrative, tax, or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. A General Partner reserves the right to agree with ORG members, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits interest granted in the relevant investments or related intermediate entities. While such an arrangement could be more favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation. Each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

In some cases, the Advisers expect to form a co-investment vehicle to invest in portfolio companies alongside one or more Funds in connection with the consummation of a transaction, subject to the Advisers' related policies and practices and the Governing Documents and/or Side Letter(s). If a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the applicable General Partner, ultimately is not consummated, no co-investment vehicle generally will have been formed, and all Broken Deal Expenses relating to such proposed transaction will be borne by the Fund(s) selected by the applicable

General Partner as proposed investors for such proposed transaction, and not by any potential co-investors that were to have participated in such transaction, to the extent set forth in the Governing Documents. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such Broken Deal Expenses. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

Operations Resources Group Members

Additionally, as described more fully herein and in the Governing Documents, under specific circumstances, certain ORG members who are employed or retained by Gryphon Advisors provide certain value-added services to portfolio companies or prospective portfolio companies in which one or more Funds invest or are considering an investment, whether on a one-time or more regular basis, that typically would otherwise be performed by third-party consultants or other service providers. Such ORG members generally provide services in relation to the identification, acquisition, holding, improvement, and disposition of portfolio companies, including services with respect to manufacturing, sales, marketing, finance & accounting, treasury, capital markets, financing, technology, human resources, human capital, acquisition integration/rationalization, and/or other operations services, acquisition or other due diligence, or similar services. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. ORG members receive compensation, including, but not limited to, cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from Gryphon Advisors and/or its Funds or affiliates or other compensation, the amount of which typically is determined according to one or more methods, including, but not limited to, the value of the time (including an allocation for overhead and other fixed costs) of such ORG members. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all such compensation as well as fees, costs and expenses of structuring such arrangements. ORG members also generally will be reimbursed for certain travel and other costs in connection with their services. In order to procure these services, in certain circumstances Gryphon Advisors will retain or employ the relevant ORG member and seek reimbursement from the relevant portfolio companies or prospective portfolio companies for the relevant compensation and/or other costs. As set forth in the Governing Documents, such reimbursed costs will not offset the applicable Management Fee and, as such, are not covered by the Management Fee. The use of the ORG subjects Gryphon Advisors to potential conflicts of interest, as discussed under "Methods of Analysis, Investment Strategies, and Risk of Loss—Conflicts of Interest," below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," the relevant General Partner generally receives a carried interest allocation on certain profits in the relevant Fund. Gryphon Advisors advises Co-Invest Fund IV, Mezz Co-Invest and Mezz Co-Invest II, each of which is not subject to carried interest. While this practice could present a potential conflict of interest, Gryphon does not believe this arrangement poses a conflict of interest in practice because (i) Co-Invest Fund IV co-invests alongside the other Gryphon IV Funds, in each case, at substantially the same time and on substantially the same terms as such other Funds and disposes of such investments in a similar manner, and (ii) each of Mezz Co-Invest and Mezz Co-Invest II invests directly into Gryphon Mezz and Gryphon Mezz II, respectively, as a Limited Partner. In addition, Gryphon has adopted certain allocation policies and procedures to address this potential conflict of interest in accordance with the Governing Documents.

Additionally, to the extent that Gryphon Advisors has Funds with varying carried interest terms and/or certain Gryphon Advisors personnel are assigned varying percentages of carried interest from the Funds, Gryphon Advisors and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

Gryphon Advisors seeks to address the potential for conflicts of interest in these matters with allocation policies/practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Gryphon Advisors or any personnel.

The existence of performance-based compensation has the potential to create an incentive for the Advisers to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although the relevant Adviser generally considers performance-based compensation to better align its interests with those of its investors.

TYPES OF CLIENTS

Gryphon Advisors provides investment advice solely to its Fund clients, and references throughout this Brochure to "clients" and to Gryphon Advisors' related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Investment Company Act"). The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations, or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of Gryphon Advisors and its affiliates and members of their families, ORG members, or other service providers retained by Gryphon Advisors, as well as executives of portfolio companies.

The relevant General Partner also generally is permitted from time to time to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory, or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents of the related Fund.

Gryphon 3.5 had a minimum investment amount of \$2,500,000 for third-party investors. Such minimum investment amount was waived by the applicable General Partner in certain cases, but not less than \$100,000.

Gryphon IV had a minimum investment amount of \$2,500,000 for third-party investors. Such minimum investment amount was waived by the applicable General Partner in certain cases, but not less than \$100,000.

Gryphon Mezz had a minimum investment amount of \$500,000 for third-party investors. Such minimum investment amount was waived by the applicable General Partner in certain cases, but not less than \$100,000.

Gryphon V had a minimum investment amount of \$2,500,000 for third-party investors. Such minimum investment amount was waived by the applicable General Partner in certain cases, but not less than \$100,000.

Gryphon Mezz II had a minimum investment amount of \$500,000 for third-party investors. Such minimum investment amount was waived by the applicable General Partner in certain cases, but not less than \$100,000.

Gryphon VI had a minimum investment amount of \$2,500,000 for third-party investors. Such minimum investment amount was waived by the applicable General Partner in certain cases, but not less than \$100,000.

Gryphon Heritage had a minimum investment amount of \$2,500,000 for third-party investors. Such minimum investment amount was waived by the applicable General Partner in certain cases, but not less than \$100,000.

Investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment. Generally, investors must be (i) “accredited investors” as defined in Regulation D promulgated under the Securities Act of 1933, as amended, and (ii) either “qualified purchasers” or “knowledgeable employees” as such terms are defined under the Investment Company Act. The Advisers, in their sole discretion, are permitted to waive such minimum investment amounts and qualification requirements.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

General

Gryphon is a private investment firm focused on leveraged acquisitions, recapitalizations, and restructurings of, and, in the case of Gryphon Mezz and Gryphon Mezz II, mezzanine investments in, companies in the lower-end segment of the U.S. middle market. Gryphon Advisors’ investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments, and achieving dispositions for investments. Investments are predominantly of non-public companies, although investments in public companies are permitted.

Gryphon Advisors prioritizes investment opportunities where it can apply its professionals’ sector-specific knowledge and operational acumen in order to seek to build value for the Funds’ investors. Such investment opportunities typically involve the purchase of controlling interests in companies with some combination of the following characteristics:

- stable underlying industries and competitive dynamics;
- current or potential market leadership positions;
- management teams whose professionalism can be augmented through the addition of new executives and board directors;
- operational improvement opportunities; and
- potential for expanded product lines, service offerings, and/or geographic presence.

As described further below, Gryphon Advisors seeks to pursue attractive risk-adjusted returns for the Funds utilizing Gryphon’s: (i) proprietary business model, professional team, and firm culture; (ii)

thematic and proactive sector strategies; (iii) value-added and fully-integrated ORG; and (iv) successful integration of add-on acquisitions. Gryphon Advisors generally focuses on investments that require equity capital of approximately \$50 million to \$300 million and follow-on investments of up to an additional \$25 million to \$50 million, although the required capital may be greater or less than such amounts.

There can be no assurance that Gryphon Advisors will achieve the investment objectives of any Fund and a loss of investment is possible.

Investment and Operating Strategy

Proprietary Business Model, Professional Team, & Firm Culture. Gryphon's 120 member professional team possesses a proprietary combination of operational experience, sector knowledge and specialization, and deal-making sophistication. Gryphon also benefits from a number of "in-house" functional experts in such valuable areas as organizational development and executive talent engagement, as well as due diligence, finance, capital markets, and marketing.

Thematic and Proactive Sector Strategies. The firm's primary origination strategy is proactive sourcing of investment opportunities within specific sectors, chosen after extensive upfront research by the 49 professionals on Gryphon's Industry Specialty Group and Origination teams, and frequently pursued in exclusive partnership with proven large-market executives.

Value-Added and Fully-Integrated Operations Resources Group. The ORG has been strategically grown since 1999 to 31 professionals today, including 12 partners and 19 other professionals. The numerous initiatives led by the ORG within Gryphon's portfolio in concert with its investment professionals seek to drive meaningful equity value creation.

Successful Integration of Synergistic Add-on Acquisitions. Gryphon seeks to further build value through its origination, execution, and integration of synergistic add-on acquisitions.

Gryphon believes such acquisitions expand its companies' scale, product and service offerings, addressable customer base, and exit alternatives, while also creating opportunities to reduce costs and share best practices.

Risks of Investment

The Funds and their investors bear the risk of loss that the Advisers' investment strategy entails. Although the following risk factors are generally applicable to the Funds, investors should also refer to each Fund's Memorandum for risk factors specific to their Fund. The risks involved with the Advisers' investment strategy and an investment in a Fund include, but are not limited to:

Business Risks. A Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance. The performance of the General Partners' principals' (the "Principals") prior investments is not necessarily indicative of a Fund's future results. While the General Partners intend for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities. The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment once made.

Concentration of Investments. Each Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. A Fund will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates, and other private equity funds. Over the past several years, an ever-increasing number of investment funds have been or are being formed, and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Funds are expected to be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than the relevant General Partner, the relevant Fund and their respective affiliates.

Dynamic Investment Strategy. While each General Partner generally intends to seek attractive returns for a Fund primarily through making private equity investments, each General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process, or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Governing Documents. A General Partner is permitted to pursue investments outside of the industries and sectors in which the Principals have previously made investments or have internal operational experience.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including any Management Fee payable to the relevant General Partner) may exceed its income, thereby requiring that the difference be paid from such Fund's capital, including, without limitation, unfunded Commitments.

Leveraged Investments. A Fund is permitted to make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive

pressures, an adverse economic environment or rising interest rates (which in recent years have been at or near historic lows) and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage may remain outstanding. A Fund is permitted to incur leverage on a joint and several basis with one or more other Funds and entities managed by the relevant General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

To the extent a Fund provides bridge financing to facilitate portfolio company investments, it is possible that all or a portion of such bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of the Fund. As a result, the Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations, certain of which exclude bridge financing investments.

Subscription Lines. A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of a Fund's investments). Fund-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the Limited Partners, Limited Partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against a Fund would likely be subordinate to such Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintenance, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's Limited Partners and the terms of the Governing Documents, it may be higher than the interest rate a Limited Partner could obtain individually. To the extent a particular Limited Partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the

potential to arise in that the use of Fund-level borrowing typically delays the need for Limited Partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the relevant General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the Limited Partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a Limited Partner's interest in a Fund or impose concentration or other limits on such Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from Limited Partners to share with lenders. The relevant General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the relevant General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. The General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Gryphon Advisors for expenses incurred on behalf of a Fund. A Fund is also permitted to utilize Fund-level borrowing when the relevant General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses.

Hedging Arrangements; Related Regulations. A General Partner is authorized (but not obligated) to endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures, or other exposures using hedging techniques where available and appropriate. A Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options, and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian, or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the applicable General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission ("CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such

hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Public Company Holdings. A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals, and increased costs associated with each of the aforementioned risks.

Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, the relevant portfolio company may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the relevant Fund or its Limited Partners. Such third parties may be in a position to take action contrary to a Fund's business, tax, or other interests, and such Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment.

Distressed Investments. A Fund reserves the right to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and/or material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization, or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the applicable General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization, or liquidation of such company. The market prices of such investments are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked prices of such investments may be greater than those prevailing in other markets. It may take a number of years for the market price of such investments to reflect their intrinsic value. Such investments also may be adversely affected by U.S. state and federal laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and the U.S. bankruptcy court's power to disallow, reduce, subordinate, or disenfranchise particular claims.

Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization, or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities or other instruments with rights that are materially different than the original securities or other instruments in which such Fund invested.

Allocation of Expenses Among the Funds. The General Partners and their affiliates from time to time are expected to incur Broken Deal Expenses, on behalf of one or more of Gryphon 3.5, Gryphon IV, Gryphon V, Gryphon VI and Gryphon Heritage (collectively, the "Gryphon Equity Funds"), generally targeting equity investments in certain companies, as well as on behalf of one or both of Gryphon Mezz and Gryphon Mezz II (collectively, the "Gryphon Mezz Funds").

Broken Deal Expenses incurred in connection with a prospective investment of one or more Gryphon Equity Funds will be incurred by the Gryphon Equity Funds which would have made the investment had it been consummated on the date the prospective transaction was determined to be a broken deal. When more than one Gryphon Equity Fund would have made the investment had it been consummated, the Broken Deal Expenses will be allocated among the Gryphon Equity Funds on a basis determined by the relevant General Partner, in its sole discretion, to be fair and reasonable under the circumstances.

Broken Deal Expenses incurred in connection with a prospective investment of the Gryphon Equity Fund(s) will be allocated to a Gryphon Mezz Fund only in cases where such Gryphon Mezz Fund has committed to an equity co-invest for the prospective transaction, separate and apart from any potential mezzanine financing or other debt investment, which may include a potential equity component. In such cases, the Broken Deal Expenses will be allocated among the Gryphon Equity Fund(s) and the Gryphon Mezz Fund(s), on a basis determined by the relevant General Partner, in its sole discretion, to be fair and reasonable under the circumstances. The Gryphon Mezz Funds will also incur Broken Deal Expenses associated with mezzanine financings and other credit investments, if any. For the avoidance of doubt, except as described above, the Gryphon Mezz Funds will not be allocated (or otherwise bear) any Broken Deal Expenses.

Although the General Partners and their affiliates will endeavor to allocate Broken Deal Expenses on a fair and equitable basis to the Gryphon Equity Funds and, if applicable, the Gryphon Mezz Funds, there can be no assurance that such fees, costs, and expenses will in all cases be allocated appropriately. Any such determinations may involve inherent matters of discretion and conflicts of interest. Notwithstanding the foregoing, the General Partners and their affiliates may in the future develop policies and procedures to address the allocation of expenses that differ from its current practice.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of a Fund's investments will be difficult to value. A General Partner reserves the right to distribute certain investments in kind to the Limited Partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Limited Partners. After a distribution of securities is made to the Limited Partners, many Limited Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to the General Partners with respect to such investment.

Reliance on the General Partners and Portfolio Company Management. Control over the operation of each Fund will be vested with the General Partners, and each Fund's future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on a Fund's ability to realize its investment objectives. Limited Partners generally have no right or power to take part in the management of the Funds, and, as a result, the investment performance of each Fund will depend on the actions of the applicable General Partner. In addition, certain changes in the applicable General Partner or circumstances relating to such General Partner may have an adverse effect on a Fund or one or more of its portfolio companies including potential acceleration of debt facilities. Although each General Partner will monitor the performance of a Fund's investments, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although a Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with such Fund's objectives.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the applicable General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund reserves the right to provide additional funds to such portfolio company or such Fund may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents, or for other reasons). There can be no assurance that a Fund will make follow-on investments or that such Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of such Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. Each Fund is authorized invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the Limited Partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the Limited Partners. Additional risks of non-U.S. investments include, but are not limited to: (i) economic dislocations in the host country; (ii) less publicly available information; (iii) less well-developed and/or more restrictive laws, regulations, regulatory institutions, and judicial systems; (iv) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (v) civil disturbances; (vi) government instability; and (vii) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing, and financial reporting standards, practices, and requirements comparable to those that apply to U.S. companies.

Director Liability. The Funds will often seek to obtain the right to appoint one or more representatives to the board of directors of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

Uncertain Economic, Social, and Political Environment. Consumer, corporate, and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity, and/or military conflicts, localized or global financial crises, or other sources of political, social, or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional, or global health crises including, but not limited to, the rapid and pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19 (Coronavirus). Such health crises could exacerbate political, social, and

economic risks previously mentioned, and result in significant breakdowns, delays, and other disruptions to important global, local, and regional supply chains affected, with potential corresponding results on the operating performance of affected portfolio companies. A climate of uncertainty, including the contagion of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners, and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the contagion of infectious viruses or diseases, or general economic downturn may have an adverse effect upon a Fund's portfolio companies.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus (“COVID-19”). This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to volatility in all financial markets. Among other things, these unprecedented developments have resulted in volatility in demand across most categories of consumers and businesses, volatility in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, increases in unemployment levels in the United States and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 – and any resulting decline in economic and commercial activity – on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions (including the effectiveness of vaccines and the implementation of vaccination programs) designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to “re-open,” it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partner and Gryphon Advisors may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Impact of Government Regulation, Reimbursement, and Reform. Certain industry segments in which the Funds intend to invest, including various segments of the healthcare and financial services industries, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including, in particular, the healthcare and financial services industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund invests. By way of example, the healthcare and financial services industries have been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state, or local or non-U.S. legislative proposals related to such industry are introduced from time-to-time, which, if adopted, could have a significant impact on such industries in general and/or on companies in which a Fund may invest.

Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Gryphon Advisors and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact Gryphon Advisors and its affiliates, the Funds and/or their investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Funds.

Economic and Market Conditions. The state of the private equity industry, generally, and the success of a Fund's investment activities, specifically, will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and U.S. and global political and

socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partners. Conditions such as financial market volatility, illiquidity and/or decline, a generally unstable economic environment (including as a result of a slowdown in economic growth and/or changes in interest rates or foreign exchange rates) and/or a deterioration in the capital markets may negatively impact the availability of attractive investment opportunities for a Fund, a Fund's ability to make investments, the availability of funding to support a Fund's investment objectives, the performance and/or valuation of a Fund's investments, and/or a Fund's ability to dispose of investments. In addition, the public market comparable earnings multiples that are frequently used to value privately held portfolio companies and investors' risk-free rate of return may be impacted. In such an environment, a Fund may be more likely to pay reverse break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments. Such conditions could result in substantial or total losses to a Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure.

Environmental, Social and Governance (“ESG”) Matters. Gryphon Advisors maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. There is no guarantee that Gryphon Advisors will be able successfully to implement its ESG policy or to make investments in companies that create a positive ESG impact while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Gryphon Advisors, or any judgment exercised by Gryphon Advisors, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what positive ESG characteristics mean by region, industry and topic. Gryphon Advisors' interpretations and decisions are expected to differ from others' views and could also evolve over time. In addition, in evaluating an investment, Gryphon Advisors expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Gryphon Advisors to incorrectly assess a company's ESG practices and/or related risks and opportunities. Gryphon Advisors does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on Gryphon Advisors' view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG Policies, which could negatively impact Gryphon Advisors' performance. For avoidance of doubt, however, Gryphon Advisors does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Gryphon Advisors' adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Gryphon Advisors' ESG policies could become subject to additional regulation in the future, and Gryphon Advisors cannot guarantee that its current approach will meet future regulatory requirements.

Certain Consultants. The General Partners, each Fund, and the portfolio companies expect from time-to-time to retain other companies and individuals (“Special Consultants”), which may be affiliates of the General Partners, employees of such affiliates, portfolio companies of other funds managed by a General Partner or its affiliates, third-party consultants (including consultants and external executives), “operating

partners,” “strategic partners,” members of the “ORG,” “executive partners,” or “senior advisors.” The Special Consultants are expected to be engaged to provide services to, or in connection with, a Fund in relation to its activities or one or more portfolio companies or prospective portfolio companies in relation to the identification, acquisition, holding, improvement, and disposition of such portfolio companies, including operational aspects of such companies (“Services”).

Pursuant to the Governing Documents, fees and expenses associated with the Services are authorized to be paid and/or reimbursed by applicable portfolio companies, prospective portfolio companies and/or a Fund. Fees and expenses associated with the Services are permitted, at the discretion of the applicable General Partner taking into account the particular Services, to include a profits or equity interest in a portfolio company or other incentive-based compensation to the Special Consultant, which are permitted to be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Special Consultant, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable Services, and/or a percentage of cash flows from such company. Additionally, portfolio companies generally have the option to provide opportunities for Special Consultants to invest in such portfolio company and reimburse costs and expenses incurred by Special Consultants. Special Consultants also are expected to receive remuneration from the relevant General Partner and/or a Fund or their respective affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements, and other compensation paid to a Special Consultant will not offset the Management Fee. Special Consultants may have a limited partnership or profit interest in a Fund, a General Partner, one or more other investment funds sponsored by a General Partner, or in an affiliate of a General Partner. Although the relevant General Partner intends to retain Special Consultants with a view to reducing costs to portfolio companies (and, ultimately, a Fund) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. In addition, a General Partner reserves the right to agree with Special Consultants, portfolio company management, vendors, service providers or other persons that certain expense reimbursements, payments or other amounts owed to such persons relating to one or more portfolio companies will be paid in the form of a profits interest granted in the relevant portfolio companies or related intermediate entities. The relevant General Partner intends to retain only such Special Consultants which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable Services or could provide such Services at lesser cost.

Conflicting Investor Interests. Limited Partners are expected to have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts are expected to arise in connection with decisions made by the applicable General Partner regarding an investment that may be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring, and disposing of investments, the applicable General Partner generally will consider the investment and tax objectives of a Fund and its partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

Unfunded Pension Liabilities of Portfolio Companies. Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although each Fund intends to manage its investments to minimize any such exposure, a Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own 80% or greater interest in such portfolio company. If a Fund (or other 80%-owned portfolio companies of such Fund) were

deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of such Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company, Fund, General Partner, Gryphon Advisors or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Gryphon Advisors, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Gryphon Advisors', the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to Limited Partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Gryphon Advisors or one of its service providers holding its financial or investor data, Gryphon Advisors, its affiliates or the Funds may also be at risk of loss

Limited Access to Information. Limited Partners' rights to information regarding a Fund, the relevant General Partner, or Gryphon Advisors generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the applicable General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to Limited Partners because such disclosure is prohibited, including as a result of contractual, legal, or similar obligations outside of Gryphon Advisors' control. Decisions by Gryphon Advisors or its affiliates to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a Limited Partner to monitor Gryphon Advisors and its performance. Additionally, it is anticipated that Limited Partners that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other Limited Partners. Limited Partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information, and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Gryphon Advisors reserves the right to

withhold certain information from investors subject to such laws for reasons relating to Gryphon Advisors' public reputation, business strategy, or other reasons.

Valuation of Assets. Valuation of certain of each Fund's investments involves uncertainties and judgmental determinations. There is not expected to be an actively traded market for most of the securities owned by each Fund. When estimating fair value, the applicable General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts, and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. Accordingly, certain investments may be difficult to value and may be subject to varying interpretations of value.

The exercise of discretion in valuation by the applicable General Partner is expected to give rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees. The applicable General Partner is permitted to rely on the advice of brokers, custodians, accountants, appraisers, administrators, independent consultants, professional advisors, or pricing services in connection with such determination of the value of a Fund's assets and liabilities.

Due to a wide variety of market factors and the nature of certain investments to be held by a Fund, there is no guarantee that the value determined by the applicable General Partner will represent the value that will be realized by a Fund on the eventual disposition of the investment. Moreover, the valuations to be performed by the applicable General Partner may be inherently different from the valuation of a Fund's investments in the event such Fund were forced to liquidate all or a significant portion of its investments, for which a liquidation valuation could be materially lower.

Co-Investments. A General Partner reserves the right, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by such General Partner in its sole discretion. Conflicts of interest are expected to arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the applicable General Partner in its sole discretion, will not necessarily be in the best interests of the Fund or any individual Limited Partner. In exercising its sole discretion in connection with such co-investment opportunities, the applicable General Partner is authorized to consider some or all of a wide range of factors, which include the likelihood that an investor may invest in a future fund sponsored by such General Partner or its affiliates. Co-investment opportunities typically will be offered to some and not other Limited Partners. The General Partner's allocation of co-investment opportunities generally will not result in allocations that are proportional to the amounts committed, if any, by the relevant potential co-investor to a Fund and such allocations may be more or less advantageous to some persons than others.

A Fund is permitted to co-invest with third parties through partnerships, joint ventures, or other entities or arrangements. Such investments are expected to involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of a Fund, or may be in a position to take action contrary to the investment objectives of such Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner.

In the event that a Fund and one or more co-investors invest together through a holding company, the expenses related to the structuring, formation and operation of such holding company will generally be allocated pro rata amongst the relevant Fund and such co-investors. In the event that a transaction in which

a co-investment was to be sought ultimately is not consummated, all obligations, liabilities and out-of-pocket fees (including any break-up fees), costs and expenses relating to such unconsummated transaction generally will be borne by the Fund, and not by any potential or expected co-investors, subject to any restrictions set forth in the Governing Documents.

Material, Non-Public Information; Other Regulatory Restrictions. As a result of the operations of Gryphon Advisors and its affiliates, as well as in connection with officerships or directorships of Gryphon Advisors personnel, Gryphon Advisors frequently comes into possession of confidential or material, non-public information, Gryphon Advisors and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Gryphon Advisors' internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Gryphon Advisors or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Gryphon Advisors' inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Gryphon Advisors or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

CFIUS and National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS"), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' ability to invest in U.S. businesses (or to exercise voting or advisory board rights with respect

thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation, and application of consumer protection, data protection, and/or privacy laws and regulations in the United States, Europe, and other jurisdictions (“Privacy Laws”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention, and safeguarding of personal data and current and planned business activities of Gryphon Advisors, the General Partners, the Funds, and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions, or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted, and applied, compliance costs for Gryphon Advisors, the General Partners, the Funds, and/or their portfolio companies are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, as amended, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities, and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Gryphon Advisors, the General Partners, the Funds, and/or their portfolio companies.

United Kingdom (“UK”) Exit from the European Union (the “EU”). On March 29, 2017, the UK formally notified the European Council of its intention to leave the EU (“Brexit”). The UK formally left the EU on January 31, 2020, and entered a transition period that ended on December 31, 2020. On December 24 2020, the UK government and the EU Commission provisionally agreed a trade and cooperation agreement governing their future relationship, which, following a ratification process, is expected to apply on a provisional basis through an additional transition period.

Although provisionally agreed, the terms of UK’s ongoing and future relationship with the EU are still uncertain, including the extent to which UK businesses will have access to the EU single market and the extent to which EU businesses have access to the UK market. There is also risk of significant disruption to trade between the UK and the EU, particularly as new trade arrangements are intended to be ratified and implemented.

There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the UK’s exit from the EU may adversely affect both EU and UK-based businesses, including Gryphon Advisors and Fund portfolio

companies, as applicable. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Russia-Ukraine Conflict. There is currently an ongoing military conflict between Russia and Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

Conflicts of Interest

Gryphon Advisors and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, legal, management, and other services to the Funds and portfolio companies. The Advisers will devote such time, personnel, and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Advisers conducting their activities, the interests of a Fund likely will conflict with the interests of the Advisers, one or more other Funds, portfolio companies, or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Gryphon Advisors will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of a given Fund, the Advisers will pursue all appropriate investment opportunities exclusively through the currently active Fund, subject to certain limited exceptions set forth in the Governing Documents and the Advisers' Allocation Policy. Without limitation, the Advisers currently manage, and expect in the future to manage, several other investment funds and investments similar to those in which the Funds will be investing, and expect to direct certain relevant investment opportunities or resources to those investment funds and investments. The Advisers' personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. The Advisers' investment staff will continue to manage and monitor such investment funds and investments. The Advisers' significant investment in the Funds, as well as the Advisers' interest in the carried interest, operate to align, to some extent, the interest of the Advisers with the interest of the Limited Partners, although the Advisers have economic interests in such other investment funds and investments as well and receive Management Fees and carried interests relating to these interests. Such other investment funds and investments that the Advisers expect from time to time to control or manage generally have the potential to compete with the

Funds or companies acquired by the Funds. Following the investment period of a particular Fund, the Advisers reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to a Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in the Advisers' sole discretion, the Advisers and their personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, the Advisers' personnel are permitted to serve on boards or act in other roles unaffiliated with the Advisers, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

From time to time, the Advisers will be presented with investment opportunities that would be suitable for more than one of the Funds and other investment vehicles operated by the Advisers or their affiliates. In determining which investment vehicles should participate in such investment opportunities, the Advisers and their affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, Gryphon Advisors is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of the Advisers in a portfolio company also have the potential to raise the risk of using assets of a client of the Advisers to support positions taken by other clients of the Advisers.

The Advisers must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. The Advisers generally assess whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as factors including, but not limited to: investment restrictions and objectives (including those set forth in the Governing Documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle, investment amount, and structure. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliate of the Advisers in the manner set forth in the Governing Documents and the Advisers' Allocation Policy. The Advisers will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with the Advisers' obligations and reserve the right to take into consideration factors such as those set forth above.

Following such determination of allocation among Funds, the Advisers reserve the right to offer co-investment opportunities to one or more potential co-investors, including ORG members, vendors, service providers and/or other third parties, as determined by the Governing Documents, Side Letters and the Advisers' Allocation Policy. The Advisers' procedures permit it to take into consideration a variety of factors in making such determinations.

Furthermore, the Advisers and their related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other investors in a Fund. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and because co-invest opportunities generally appeal to Fund investors and third parties, the Advisers expect to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund.

When and to the extent that employees and related persons of the Advisers and their affiliates make capital investments in or alongside certain Funds, the Advisers and their affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return

from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

The Advisers' allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While the Advisers will allocate investment opportunities in a manner that they believe is fair and equitable to their clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which the Advisers expect to be subject, discussed herein, did not exist.

In certain cases, the Advisers will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Advisers will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on suitability and other factors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where multiple Funds invest at the same, different, or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment, particularly where certain Funds are intended to invest in different types of securities in a single portfolio company. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring, are expected to raise potential conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Gryphon Advisors in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Gryphon Advisors expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Gryphon Advisors expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or Gryphon Advisors may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. Gryphon Advisors intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness.

In addition, certain of the Funds' investments are expected to be made in the same portfolio companies or issuers as another investment fund managed or sponsored by a General Partner, Gryphon Advisors, or one of their respective affiliates (such fund, an "Other Gryphon Fund"). These and other situations will involve potential conflicts of interest. Any investment by a Fund in an entity in which an Other Gryphon Fund has a pre-existing investment (or vice versa) could be viewed, especially in hindsight,

to have been made based on a non-arms-length valuation. Similarly, Other Gryphon Funds generally are permitted to invest later in entities in which a Fund has invested, which would, under the circumstances, be expected to have an effect (either positive or negative) on the market price of such Fund's investments. In circumstances in which a Fund makes an investment in an entity in which an Other Gryphon Fund has a pre-existing investment, such Other Gryphon Fund expects to make business decisions relating to such investment (such as, for example, financing or hedging interest rate, currency, or credit risk) independently of the analogous decisions made with respect to such investment by the applicable Fund. This could result in situations where such Fund chooses not to hedge certain risks that an Other Gryphon Fund does hedge (or vice versa), or the possibility that such Fund is exposed to risks of financing (for example, possible margin calls) on an investment when the applicable Other Gryphon Fund is not (or vice versa). Although Gryphon Advisors will employ procedures to address such conflicts, there can be no assurance that such conflicts will be resolved in a manner that is most favorable to a Fund and its Limited Partners. Subject to the terms of the Governing Documents, if a company as to which a Fund and an Other Gryphon Fund each hold an interest becomes financially troubled, the relevant General Partner, in conjunction with the general partner of the relevant Other Gryphon Fund, will make its decisions regarding the appropriate action to be taken with respect to that company, including the terms of any financial restructuring or work-out, in the collective best interests of a Fund and such Other Gryphon Fund.

Relatedly, and with respect to the Gryphon Mezz Funds, an affiliate of each of GP Mezz and GP Mezz II manages a Gryphon Mezz Fund. In the future, other affiliates of GP Mezz and/or GP Mezz II are expected to manage other investment funds that will focus on mezzanine and other credit investing (such investment funds, together with their parallel investing entities and alternative investment vehicles, the "Credit Funds"). The Gryphon Mezz Funds are expected to hold interests in portfolio companies that are of a different class or type than the class or type of interests held by the Credit Funds. To the extent that a Credit Fund invests in a debt instrument of a portfolio company in which a Gryphon Mezz Fund holds equity securities, GP Mezz or GP Mezz II, as applicable, expects to be subject to potential conflicts of interest in determining the terms of such debt instruments and in managing a Gryphon Mezz Fund's and such Credit Fund's investments in such portfolio company on a going-forward basis. Conflicts are expected to arise between a Gryphon Mezz Fund and the Credit Funds in negotiating the price of the debt securities or other instruments, the characterization of such debt securities or other instruments, the terms of inter-creditor agreements, the interest rate or stated dividend yield of such debt securities or other instruments, the nature of the covenants running in favor of lenders, and the other terms and conditions of investment or in addressing subsequent amendments or waivers.

Subject to any relevant restrictions or other limitations contained in the Governing Documents, the Advisers will allocate fees and expenses in a manner that they believe is fair and equitable to their clients under the circumstances and considering such factors as they deem relevant, but in any case in their sole discretion. In exercising such discretion, the Advisers expect to be faced with a variety of potential conflicts of interest.

As a general matter, and except as other described herein (including with respect to Broken Deal Expenses), Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual, or similar restrictions, expense allocation decisions generally will be made by the Advisers or their affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Gryphon Advisors. The Funds generally have different expense reimbursement terms, including with respect to Management

Fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, an Adviser and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to an Adviser and/or its affiliates. Unless such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to such Adviser.

Additionally, a portfolio company typically will reimburse an Adviser or service providers retained at the Adviser's discretion for expenses (including, without limitation, travel expenses) incurred by the Adviser or such service providers in connection with its performance of services for such portfolio company. This subjects such Adviser and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. An Adviser determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to such Adviser or such service providers generally is subject to: agreements with or review by sellers, buyers, and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Funds and their investments, Gryphon Advisors, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Gryphon Advisors' operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Gryphon Advisors and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Gryphon Information"). In many cases, Gryphon Information will include tools, procedures and resources developed by Gryphon Advisors to organize or systematize Gryphon Information for ongoing or future use. Although Gryphon Advisors expects its Funds and their portfolio companies generally to benefit from Gryphon Advisors' possession of Gryphon Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Gryphon Advisors and its personnel) and not by the Fund or portfolio company from which Gryphon Information was originally received. Gryphon Information will be the sole intellectual property of Gryphon Advisors and solely for the use of Gryphon Advisors. Gryphon Advisors reserves the right to use, share, license, sell or monetize Gryphon Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

Each Adviser generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service

providers are expected to include: (i) the Adviser or a related person of the Adviser (which may include a portfolio company of such Fund); (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where the Gryphon Advisors personnel are seconded, or from which Gryphon Advisors receives secondees; or (iii) certain Limited Partners or their affiliates. For example, Gryphon Advisors expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain Limited Partners or their affiliates that are engaged in lending or related business. This discretion subjects each Adviser to conflicts of interest, because, although each Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, it has a potential incentive to recommend the related or other person (including a Limited Partner) because of its financial or other business interest. There is a possibility that an Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen, and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or the Advisers), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. The Advisers will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although the Advisers generally seek appropriate rates for services, they reserve the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed, or other factors in retaining or recommending service providers. In certain circumstances where an Adviser commits or has committed to seek "market" or "arms-length" rates or terms, such Adviser will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. An Adviser reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, an Adviser undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, an Adviser reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not an Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Each Adviser, its affiliates, and equity-holders, and officers, principals, and employees of the Adviser and its affiliates reserve the right to buy or sell securities or other instruments that the relevant Adviser has recommended to a Fund. In addition, officers, principals, and employees reserve the right, although they have not historically and do not currently intend to, to buy securities in transactions offered to but rejected by a Fund. Any such transactions are subject to any restrictions in the Governing Documents and any policies and procedures set forth in the Code (as defined below). The investment policies, fee arrangements, and other circumstances of these investments may vary from those of any Fund. Employees and related persons of the Advisers have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

In addition, as described above, Gryphon Advisors will receive compensation or will be reimbursed for the compensation paid to certain ORG members who in certain cases are also employees of Gryphon Advisors or to other third-party consultants (including consultants introduced or arranged by an Adviser and/or its affiliates that regularly provide services to one or more portfolio companies or prospective portfolio companies), and such compensation does not offset or reduce the Management Fee as described

herein. As employees of Gryphon Advisors, ORG members make use of Gryphon Advisors' resources. To the extent that ORG members are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the related services at a time when fewer portfolio companies or Funds make use of such services. Although the use of ORG members and the allocation of compensation paid to them by the Advisers, their affiliates, and/or the portfolio companies subjects the Advisers and/or their affiliates to potential conflicts of interest, the Advisers believe that such potential conflicts have the potential to be reduced if, among other things, the quality of the services of the ORG members makes a greater contribution to the success of the portfolio company. Although the Advisers seek to retain ORG members with a view to reducing costs to portfolio companies and, ultimately, the Funds, a number of factors are expected to result in limited or no cost savings from such retention. Gryphon Advisors also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Gryphon Advisors believes will align such persons' interests with those of the Limited Partners, and seeks to retain only ORG members and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Gryphon Advisors and/or its affiliates reserve the right to retain or employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Gryphon Advisors and/or its affiliates; conversely, current or former personnel or executives of Gryphon Advisors and/or its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by Gryphon Advisors. Similarly, Gryphon Advisors, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including, but not limited to, managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Gryphon Advisors and/or its affiliates and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Gryphon Advisors entities) to Gryphon Advisors personnel and their estate planning vehicles. Gryphon Advisors expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Gryphon Advisors information about markets and industries in which Gryphon Advisors operates (or is contemplating operations) or will provide other services that are beneficial to Gryphon Advisors or one or more other Funds. For example, Gryphon Advisors reserves the right to cause a Fund to make payments to investment banks and/or other intermediaries, all or a portion of which is for the purpose of generating future deal flow for such Fund; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow may inure to the benefit of another or a successor Fund rather than the Fund making the payment. Gryphon Advisors expects to be subject to a potential conflict of interest in making such recommendations, in that Gryphon Advisors has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Gryphon Advisors, its affiliates, and equity holders, officers, principals and employees of Gryphon Advisors and its affiliates reserve the right to buy or sell securities or other instruments that Gryphon

Advisors has recommended to a Fund. In addition, officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Gryphon Advisors' Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Gryphon Advisors have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

Except to the extent prohibited by the Governing Documents, Gryphon Advisors and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles or accounts the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents and anti-"assignment" provisions of the Advisers Act, Gryphon Advisors and its personnel are also permitted to offer, restructure and monetize interests in Gryphon Advisors.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when the Advisers may not otherwise have done so. Since the General Partners are permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, they expect to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. Gryphon Advisors believes this conflict is mitigated to an extent by offsetting the Management Fee by a specified percentage of such Supplemental Fees and a General Partner's interest in the carried interest of a Fund.

Since Gryphon Advisors is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Supplemental Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. Additionally, Gryphon Advisors, its personnel, affiliates or others designated by Gryphon Advisors expect from time to time to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied (typically based on the then-present value of such securities), Gryphon Advisors and/or such other recipients will be permitted to retain such securities as Supplemental Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Gryphon Advisors) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, Gryphon Advisors reserves the right to accrue, defer or forego payments of Supplemental Fees. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

The Advisers and/or their affiliates reserve the right to enter into Side Letter with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of the Advisers' compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on a Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic procedural and other terms.

Gryphon Advisors is likely to have its own economic and/or other business incentives to provide certain terms to certain Limited Partners (*e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a Limited Partner to provide sourcing or other services to Gryphon Advisors, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Gryphon Advisors, its affiliates and personnel, or the Funds). Further, Side Letter arrangements may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by the Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, Gryphon Advisors, the relevant General Partner, or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letter. Side Letters subject Gryphon Advisors to potential conflicts of interest, including in circumstances where an investor's right to serve on a Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more Limited Partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of particular investments. Although Gryphon Advisors believes it to be unlikely, excuse rights requested or received by one or more Limited Partners (or such regulatory, tax or other factors applicable to such Limited Partners) representing a substantial percentage of a Fund have the potential to create significant variations in Limited Partner investment returns, or to influence or affect the investment strategy and pursuit of investment opportunities by a General Partner on behalf of the relevant Fund as a whole. A Limited Partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more Limited Partners' voting rights generally will increase the voting rights percentage of other Limited Partners in the relevant Fund. Further, Limited Partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Gryphon Advisors has incentives to use or to recommend products or services of one portfolio company to another, which may involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Gryphon Advisors has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such

arrangements. From time to time Gryphon Advisors and its affiliates and personnel expect to receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because its portfolio companies offer such discounts to customers other than Gryphon Advisors and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, Gryphon Advisors believes that the potential for conflicts of interest relating to such discounts is mitigated. Gryphon Advisors and its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course. Discounted prices or better terms offered by a portfolio company to Gryphon Advisors, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

The relevant liability standards under insurance coverage procured by Gryphon Advisors are expected to vary by carrier, and such standards are expected to vary from time to time depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages from time to time are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Gryphon Advisors’ insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects Gryphon Advisors and/or its affiliates to potential conflicts of interest. Gryphon Advisors attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Gryphon Advisors’ advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds, and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, the Advisers will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Advisers consult and receive consent to conflicts from an advisory committee consisting of Limited Partners of the relevant Fund(s) and such other investment vehicles.

DISCIPLINARY INFORMATION

Gryphon Advisors and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described under “Advisory Business” above, Gryphon Advisors is affiliated with the General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to Gryphon Advisors’ registration in accordance with SEC guidance. These entities operate as a single advisory business together with Gryphon Advisors and serve as general partners of the Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants, or persons occupying similar positions.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

The Advisers have adopted the Gryphon Code of Ethics and Securities Trading Policy (the “Code”), which sets forth standards of conduct that are expected of Gryphon principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Gryphon personnel to:

- report their personal securities transactions;
- pre-clear any proposed purchase of an initial public offering or a limited offering; and
- comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material, non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to James R. Gillette, the Gryphon Chief Compliance Officer, at (415) 217-7400. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

The Advisers and their affiliated persons may come into possession, from time to time, of material, non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Advisers.

Accordingly, should the Advisers or any of their affiliated persons come into possession of material, non-public or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to clients, and the Advisers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Gryphon personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of the Advisers and their affiliates generally are expected to directly or indirectly own an interest in the Funds, including certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as the Funds. Co-invest opportunities generally are also expected to be presented to certain affiliates of Gryphon Advisors, as well as third-party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies, and Risk of Loss."

Additionally, a Fund is permitted to invest together with other Funds advised by an Adviser or its affiliate in the manner set forth in the Governing Documents. The Advisers will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with their fiduciary obligations, the underlying documents for the relevant Fund, and the Gryphon investment allocation policy.

Gryphon Advisors and its affiliates, principals, and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles, and, potentially, for family members, friends, or others who do not invest in the Funds, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

BROKERAGE PRACTICES

Gryphon Advisors focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Gryphon Advisors reserves the right to distribute securities to investors in the

Funds or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although Gryphon Advisors does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If Gryphon Advisors sells publicly-traded securities for the Funds, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Gryphon Advisors. In such event, Gryphon Advisors will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Gryphon Advisors reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) gross compensation paid to the broker; and (v) the financial strength of the broker.

The Advisers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Advisers generally seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Gryphon generally does not make use of such services at the current time and has not made use of such services since its inception. As a general matter, research provided by these brokers would be used to service all of the Advisers’ private investment vehicles. However, each and every research service may not be used for the benefit of each and every Fund managed by Gryphon, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund.

To the extent that Gryphon allocates brokerage business on the basis of research services, it expects to have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds’ interest in receiving most favorable execution.

Gryphon does not anticipate engaging in significant public securities transactions; however, to the extent that Gryphon engages in any such transactions, orders for the purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, Gryphon also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Gryphon expects, but is not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Gryphon is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible; provided Gryphon believes they are fair and equitable to its clients under the circumstances over time.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid, and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Gryphon closely monitors companies in which the Funds invest, and the Gryphon Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Gryphon generally will provide to its Limited Partners (i) audited financial statements annually commencing with the first year in which a Fund makes an investment; (ii) unaudited summary financial information for the first three quarters of each fiscal year; (iii) annual tax information necessary for each partner's tax returns; (iv) descriptive investment information for each portfolio company semi-annually; and (v) valuations of each portfolio company quarterly.

CLIENT REFERRALS AND OTHER COMPENSATION

Gryphon and/or its affiliates intend to provide certain business or consulting services to companies in the Funds' portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation, in many cases, will offset a portion of the Management Fees paid by the Funds. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees (or reimbursements) will be in addition to Management Fees. In addition, Gryphon receives compensation in connection with services provided by members of the ORG to portfolio companies or prospective portfolio companies in which one or more Funds invest or are considering an investment, and such compensation will not offset the applicable Management Fee. Additionally, the Advisers are permitted to recover certain losses incurred in the operation of the ORG, as specified in the relevant Governing Documents. See "Fees and Compensation."

Gryphon reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a Limited Partner in a Fund. Any fees payable to any such placement agents generally will be borne by Gryphon Advisors indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). These arrangements generally are disclosed in the relevant Fund's Form D.

CUSTODY

Gryphon generally expects that it will be deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2) of assets held in the name of one or more Funds, and intends to maintain such assets with the following qualified custodians:

- JP Morgan Private Bank, 560 Mission Street, San Francisco, California 94105; and
- First Republic Trust Company, 111 Pine Street, San Francisco, California 94111.

INVESTMENT DISCRETION

Gryphon has discretionary authority to manage investments on behalf of the Funds. As a general policy, Gryphon does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Gryphon have entered, and expect to enter, into Side Letter arrangements with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in the Funds are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory, or other similar reasons. Gryphon assumes this discretionary authority pursuant to the terms of the Governing Documents and powers of attorney executed by the Limited Partners of the Funds.

VOTING CLIENT SECURITIES

Gryphon has adopted the Gryphon Proxy Voting Policies and Procedures (the "Proxy Policy") to address how it will vote proxies, as applicable, for the Funds' portfolio investments. The Proxy Policy seeks to ensure that Gryphon votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Gryphon generally believes its interests are aligned with those of the Funds' investors, for example, through the principals' beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Gryphon may address the conflict using several alternatives, including by seeking the approval or concurrence of the Funds' advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the Funds' advisory board is authorized to approve Gryphon's vote in a particular solicitation. Gryphon does not consider service on portfolio company boards by Gryphon personnel or Gryphon's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Gryphon when voting proxies on behalf of the Funds. Clients or investors that would like a copy of the Gryphon's complete Proxy Policy or information regarding how Gryphon voted proxies for particular portfolio companies may contact James R. Gillette, the Gryphon Chief Compliance Officer, at (415) 217-7400, and it will be provided at no charge.

FINANCIAL INFORMATION

Gryphon Advisors does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.