

Item I: Cover Page

Gallo Partners, LP

500 Fifth Avenue
New York, NY 10110

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This brochure (“**Brochure**”) provides information about the qualifications and business practices of Gallo Partners, LP (“**Gallo Partners**”). If you have any questions about the contents of this Brochure, please contact Gregg Kudisch, Gallo Partners’ Chief Compliance Officer (“**CCO**”), at (973) 200-1755 or gkudisch@gallopartnerslp.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

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

Any reference to Gallo Partners, LP as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

Item 2: Material Changes

This is Gallo Partners' initial Form ADV Part 2A. In the future, if this Brochure contains material changes from the last annual updating amendment, Gallo Partners will identify and discuss those changes in this section.

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Item 4: Advisory Business

Gallo Partners, LP (“**Gallo Partners**” or the “**Investment Manager**”) is a Delaware limited partnership that was formed in May 2023. Michael Alfaro is the principal of Gallo Partners (the “**Principal**”).

Gallo Partners intends to provide investment advisory services to a private fund, the Gallo Partners Fund, LP (the “**Fund**” or the “**Domestic Fund**”), a Delaware limited partnership. Gallo Partners’ principal place of business is in New York, NY.

Gallo Partners GP, LLC, a Delaware limited liability company, is the General Partner of the Domestic Fund (the “**General Partner**”). Michael Alfaro is also the principal and managing member of the General Partner.

In the future, the General Partner, in its discretion, may convert the Fund into a “feeder fund” in a “master-feeder” structure whereby the Fund’s investment program will be carried out by a master investment vehicle.

The General Partner has ultimate responsibility for decisions relating to management and operations made on behalf of the Fund. The General Partner has delegated certain responsibilities, including investment management of the Fund, to Gallo Partners.

In addition to advising the Fund, Gallo Partners also intends to provide investment advice to one or more separately managed accounts (each an “**SMA**” and collectively, the “**SMAs**”). Gallo Partners intends to advise the SMAs *pari passu* with the Fund.

Hereinafter, where applicable, the Fund and the SMAs are collectively referred to as the “**Clients**”.

Additional detailed information about Gallo Partners is provided below, including information about Gallo Partners’ advisory services, investment approach, personnel, affiliations, and brokerage practices.

Gallo Partners provides discretionary investment management services to the Clients pursuant to investment guidelines set forth in the relevant governing and offering documents of the Fund, including any limited partnership agreement, investment management agreement, private placement memorandum and/or subscription agreement, as the case may be (and an investment management agreement for an SMA) (each a “**Governing Document**”, and collectively, the “**Governing Documents**”). Gallo Partners does not tailor its advisory services to the individual investors of the Fund (each an “**Investor**” and collectively the “**Investors**”), or provide Investors with the right to specify, or restrict the Fund’s investment objectives or any investment or trading decisions.

The Fund is expected to rely on the exception from the definition of an “investment company” provided by Section 3(c)(1) of the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

Each Investor is strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant Offering Documents and the additional details about Gallo Partners’ investment strategies, methods of analysis and related risks (as discussed in Item 8 of this Brochure and each Fund’s Offering Documents) in considering whether Gallo Partners’ advisory services, or an investment in the Fund are appropriate to its own circumstances, based on all relevant factors including, but not limited to, the Investor’s own investment objectives, liquidity requirements, tax situation and risk tolerance before making an investment decision.

Gallo Partners does not participate in wrap fee programs.

Gallo Partners currently has no assets under management but intends to advise assets in excess of the asset eligibility level requirements within 120 days of being approved as a registered investment adviser with the U.S. Securities and Exchange Commission (the “**SEC**”). In accordance with Rule 203A-2 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), Gallo Partners intends to update this Form ADV Part 2A (along with the Form ADV Part 1) to reflect, among other things, its regulatory assets under management within 120 days of registration to indicate that it has met the asset eligibility requirements for registration.

Item 5: Fees and Compensation

Gallo Partners is entitled to receive asset-based management fees from the Fund and SMAs. In addition, the General Partner is entitled to receive performance-based compensation (if any) with respect to the Fund and the SMAs.

The fees applicable to the Fund are set forth in detail in the Fund’s Governing Documents.

The fees applicable to an SMA are set forth in detail in the investment management agreement for an SMA.

A brief summary of such fees, expenses and compensation (all of which is qualified by and subject to the language of the Fund’s Offering Document) is provided below.

There are currently two classes of limited partners interests (the “**Interests**”) in the Fund, each of which are subject to a Management Fee at an annual rate of: (i) 1.25% (0.3125% per quarter) - Founders Share Interests, and (ii) 1.75% (0.4375% per quarter) - Class B Interests - of the net asset value of each capital account attributable to such interests.

The Fund will pay Gallo Partners a management fee, from the applicable capital accounts of the Fund attributable to each class of Interest, quarterly in advance on the first day of each calendar quarter, equal to the applicable management fee percentage of the net asset value of each capital account or each Investor as of such date.

Management fees are generally pro-rated for partial periods (i.e., less than a quarter). Capital contributions made on dates other than the first day of a calendar quarter will be assessed a pro rata management fee at the time such capital contributions are made. Once paid, the management fee is non-refundable (notwithstanding, for the avoidance of doubt, a subsequent withdrawal). Notwithstanding the foregoing, in the case of a mid-quarter compulsory withdrawal or a mid-quarter liquidation of the Fund, Gallo Partners will refund a pro rata portion of the management fee at the time of such compulsory withdrawal or liquidation, as applicable.

Gallo Partners or the General Partner may reduce, waive or calculate differently the management fee for certain Investors, including but not limited to, members, employees, and affiliates of Gallo Partners, without notice to, or consent from, the other Investors.

Other Fees and Expenses

The Fund will bear, or reimburse Gallo Partners and/or the General Partner for advancing, the Fund's expenses, including, without limitation, the following: (i) expenses related to the research, execution and monitoring of actual and prospective investments (whether or not consummated) and the consummation of investments, including, without limitation, the following: third-party investment sourcing fees; consulting fees; expert fees; fees and expenses of and related to obtaining research, analytics and market data (including, without limitation, third-party data sources and any information technology hardware, software and data subscriptions (such as Bloomberg and FactSet) or other technology incorporated into the cost of obtaining such research and market data); due diligence expenses including, without limitation, consulting and appraisal fees; investment- and research-related travel expenses (consistent with Gallo Partners' travel policy); any outsourced trading provider fees; brokerage and prime brokerage fees, commissions and expenses (including the costs of negotiating, documenting and/or amending agreements with prime brokers, ISDAs and other agreements with trading and financing counterparties); expenses relating to borrowing securities to be sold short; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and other borrowing costs; fees and expenses of proxy research and voting services; broken deal expenses; fees and expenses of third-party professionals, including, without limitation, consultants, investment bankers, attorneys, accountants and service providers who, in each case, provide services to the Fund or provide services to Gallo Partners, the General Partner or the Principal (on matters that would not have arisen but for their respective advisory relationships with the Fund); and expenses relating to engagement with a company irrespective of the outcome of such engagement, such as shareholder and management communication, soliciting proxies, hiring proxy advisory consultants, hosting shareholder forums, hiring public relations consultants and proposing or nominating directors or executives, including sourcing, recruiting, standby and indemnification and other expenses, regardless of whether the nomination is successful; (ii) organizational fees and expenses and fees and expenses incurred in connection with the offering and sale of the Interests, including, without limitation, the following: the preparation and amendment of this Memorandum, the Limited Fund Agreement, the Investment Management Agreement and the Fund's subscription agreement; and fees and expenses of Gallo Partners incurred in connection with "world sky" matters and private placement regimes, including the European Alternative Investment Fund Managers Directive, and Form D and blue sky and similar fees and expenses; (iii) operational expenses, including, without limitation, the following: fees and expenses relating to information technology hardware, software or other technology (including, without limitation, costs of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including, without limitation, reporting obligations) in connection with the activities of the Fund, and facilitate and manage the order execution of securities or otherwise manage the Fund (such as portfolio management systems and order management systems); fees and expenses of third-party risk management products, models and services; third-party administrative fees and expenses, including fees and expenses of the fund administrator and any middle and/or back office service provider; fees and expenses of third-party professionals, including, without limitation, consultants, valuation service providers, attorneys, accountants and tax preparers; third-party audit and tax preparation expenses; insurance expenses, including, without limitation, premiums for cybersecurity insurance and liability insurance (including directors and officers liability insurance and errors and omission insurance) covering the Fund, the General Partner, Gallo Partners and the principals, officers, employees, managers, partners, members, affiliates or agents of any of the foregoing, (in each case, even if such insurance covers conduct for which indemnity would not be available from the Fund); fees and expenses associated with meetings of the Limited Partners as a whole, including, without limitation, expenses related to the organization and conduct of such meetings (including, without limitation, travel, lodging and meal expenses); costs of preparing and distributing reports and notices to Limited Partners (including the development, implementation and maintenance of an investor electronic delivery site and/or system); entity-level taxes; fees and expenses related to compliance with applicable law and regulations in connection with the

activities of the Fund, including, without limitation, any governmental, regulatory, licensing, filing, reporting or registration expenses, fees or taxes (including, without limitation, fees and expenses incurred in connection with the preparation and filing of Form PF, Section 13 filings, Section 16 filings and other similar regulatory filings for the Fund or Gallo Partners, the General Partner or the Principal on matters that would not have arisen but for their respective advisory relationships with the Fund, and any filings or reporting with respect to compliance with the Foreign Tax Compliance Act ("FATCA") (or similar laws enacted in other jurisdictions, as well as any foreign tax regime registrations, tax filings and associated annual fees and expenses); and any fees and expenses related to compliance with anti-money laundering laws and regulations applicable to the Fund; and (iv) extraordinary expenses, including, without limitation, the following: the costs of any litigation or investigation involving the activities of the Fund (including attorney's fees and investigative fees and expenses); the cost of settlements and indemnification expenses (including advances thereof) (for clarity, Gallo Partners and the General Partner are authorized to commit the Fund to potential indemnity obligations towards certain counterparties entering into agreements with the Fund for the provisions of services and otherwise); fees and expenses incurred in connection with any tax audit by any U.S. federal, state or local authority, including, without limitation, any related administrative settlement and judicial review; and fees and expenses incurred in connection with the reorganization, restructuring, termination, winding-up or dissolution of the Fund.

Except as provided above, Gallo Partners and the General Partner will bear their own rent, operating, utilities and similar overhead expenses, in addition to the compensation and benefits of their employees. Gallo Partners and/or the General Partner may, in their discretion, waive their right to be reimbursed for any of the foregoing expenses for any period of time. Any such waiver shall not require Gallo Partners or the General Partner to waive their right to be reimbursed for such expenses in the future.

Neither Gallo Partners, the General Partner, nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges, or service fees from the sale of mutual funds.

If Gallo Partners converts the Fund into a "feeder fund" in a master-feeder fund structure or into a master fund" in a mini-master structure, the Fund will bear its pro rata share of such master fund's or feeder fund's expenses, as applicable.

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

Performance-Based Fee for the Fund

As described in Item 5, the General Partner is entitled to receive a performance-based compensation or a performance allocation from the Fund. A performance allocation is generally payable (if any) on an annual basis.

The annual performance allocation is equal to (i) 15% for Founders Class Interests, and (ii) 20% for Class B Interests of the Fund's net income (including realized and unrealized gains and losses and net of the management fee) attributable to each Investor's capital account for such fiscal year (or other applicable period).

Upon any withdrawal by an Investor, whether voluntary or involuntary, the performance allocation will be allocated with respect to the amounts withdrawn. The performance allocation will also be allocated upon dissolution of the Fund.

The performance allocation is subject to what is commonly known as a “high water mark” provision. That is, if an Investor’s capital account has a net loss in any fiscal year (or other relevant period, as applicable), this loss will be recorded and carried forward as to such capital account to future fiscal years (or other relevant periods) (such amount is referred to as the “**Loss Carryforward**”). The General Partner will not receive the performance allocation with respect to an Investor’s capital account in any future fiscal year (or other relevant period) until the Loss Carryforward amount for such capital account has been recovered. Once the Loss Carryforward has been recovered, the performance allocation will be based on the excess profits (over the Loss Carryforward amount) as to such capital account, rather than on all profits. When an Investor withdraws capital, any Loss Carryforward will be adjusted downward in proportion to the withdrawal.

The existence of performance-based compensation may create certain conflicts of interest. More specifically, it may create an incentive for Gallo Partners to pursue riskier or more speculative investments, then it would be the case if there were no performance-based fees.

While the amount of compensation and method of payment are not generally negotiable, subject to certain conditions and limitations, the General Partner generally may elect to reduce, waive or calculate differently the performance allocation with respect to any Investor in the Fund, without notice to, or the consent of, the other Investors. The General Partners may also assign the performance allocation to any person, including an affiliate of Gallo Partners or the General Partner. Such affiliates and/or insiders will be determined by the General Partner in its discretion.

If the Fund is converted into a “feeder fund” in a master-feeder fund structure or into a “master fund” in a mini-master structure, then, in the discretion of the General Partner, the performance allocation may be allocated by such master fund or feeder fund, as applicable, instead of by the Fund for any period of time. In addition, the General Partner has the right to restructure the performance allocation as an incentive-based fee to the General Partner (or an affiliate of the General Partner) at any time. In such a case, such incentive-based fee will also be calculated net of the Fund’s and such master fund’s (if applicable) expenses.

The terms of the performance-based fees and allocations may differ in the future among the Funds or other SMAs managed by Gallo Partners. This may result in a conflict of interest when Gallo Partners allocates opportunities among such Clients because there will be an incentive to favor allocations to Clients that have higher performance-based fees and allocations. To avoid such conflict of interest, Gallo Partners would generally follow documented procedures in allocating opportunities among its Clients which would not take into account the performance-based fees and allocations to which such Clients are subject.

Item 7: Types of Clients

Gallo Partners intends to provide investment advice to the Fund and the SMAs. The Governing Documents of the Fund sets forth the eligibility criteria and minimum investment requirements for Investors. Initial and additional subscription minimums are disclosed in the Governing Documents for the Fund, which may be waived at the discretion of Gallo Partners.

Each Investor in the Fund generally must be (i) an “accredited investor”, as defined in Regulation D under the U.S. Securities Act of 1933 (the “**Securities Act**”), and (ii) a “qualified client”, as defined in the Advisers Act. The subscription agreement contains representations and questionnaires relating to these qualifications.

The minimum investment for an Investor in the Fund is US \$1,000,000. The minimum may be waived by Gallo Partners in its sole discretion.

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

Investment Strategy and Methods of Analysis

In general, Gallo Partners seeks to identify risks and opportunities in the Industrials, Chemicals, Renewables, and Energy sectors, through fundamental analysis, while overlaying regulatory and policy catalysts that Gallo Partners believes will impact future growth.

Other Possible Investments; Development of Gallo Partners' Investment Strategy

Gallo Partners has broad and flexible investment authority. Accordingly, the Clients' positions may at any time include a wide variety of securities and financial instruments, domestic and foreign, whether publicly traded or privately placed, including, but not limited to, equities, debt securities and convertible securities, limited partnership interests, interests in other investment vehicles, mutual fund shares, options (purchased or written), warrants, commodities, other derivatives (including swaps, forward contracts and structured instruments), currencies, monetary instruments and cash and cash equivalents.

The development of an investment strategy for the Clients is an ongoing process. The strategies, techniques and methods described above will therefore be modified by Gallo Partners from time to time and over time. There is no limitation on the investment strategies, techniques, methods or processes which Gallo Partners may adopt for the Clients or the factors that Gallo Partners may take into account in analyzing investments for the Clients. Depending on conditions and trends in securities markets and the economy generally, Gallo Partners may pursue other objectives, or employ other strategies, techniques, methods or processes, that it considers appropriate and in the best interests of the Clients, without notice to, or the consent of Investors or SMAs.

Summary of Material Risks

There can be no assurance that Gallo Partners' investment objective in managing the Clients will be achieved, and that the Clients will not incur losses. Each Investor and Client is also encouraged to consult with Gallo Partners to review the specific risk parameters of, and assets that comprise, each Client account at any given time and from time to time. The risk factors described below are not intended to be an exhaustive listing of all potential risks associated with an investment in the Fund or being a Client.

No Operating History. Gallo Partners and the Fund are newly formed entities and have no operating history upon which Investors can evaluate their likely performance. The past investment performance of Gallo Partners and/or its Principal or entities or accounts with which they have been associated should not be construed as an indication of future results of an investment in the Fund.

Business Dependent Upon Key Individual. The Investors will not have authority to make decisions or to exercise business discretion on behalf of the Fund. The authority for all such decisions is made by Gallo Partners. The success of the Fund, therefore, is expected to be significantly dependent upon the expertise and efforts of Gallo Partners and the Principal.

Other Activities of Gallo Partners and its Affiliates. Conflicts of interest may arise from the fact that Gallo Partners, the General Partner, and their affiliates and personnel may in the future provide investment management services to multiple Clients, including, without limitation, investment funds, managed

accounts, proprietary accounts and other investment vehicles (collectively, “**Other Accounts**”, and together with the Fund, the “**Accounts**” and each, an “**Account**”).

Other Accounts may have investment objectives, programs, strategies and positions that are similar to or may conflict with those of the Fund or a current SMA, or may compete with or have interests adverse to other Clients. Such conflicts could affect the prices and availability of securities in which a particular Client invests. Even if an Other Account has investment objectives, programs or strategies that are similar to those of another Client(s), Gallo Partners may give advice or take action with respect to the investments held by, and transactions of, the Other Accounts that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, another Client(s) for a variety of reasons, including, without limitation, differences between the investment strategy, financing terms, regulatory treatment and tax treatment amongst multiple Client(s). As a result, Clients may have substantially different portfolios and investment returns. Conflicts of interest may also arise when Gallo Partners makes decisions on behalf of a Client(s) with respect to matters where the interests of Gallo Partners or one or more other Client(s) differs from the interests of another Client(s).

The Fund may make an investment in a position that is subordinated or senior to or otherwise adverse to a position held by one of more of the Other Accounts. For example, the Fund may own debt of a portfolio company while another fund or account managed by Gallo Partners or its affiliates owns equity in the same portfolio company. For instance, it is possible that the activities or strategies used for the Other Accounts could conflict with the activities and strategies employed in managing the assets of the Fund and affect the prices and availability of the securities and instruments in which the Fund invests. For example, in a situation where the Fund invests in debt securities of a company in which Other Accounts hold or are contemporaneously acquiring equity securities, questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. If additional capital is necessary as a result of financial or other difficulties, Other Accounts may or may not provide such additional capital as each determines in their sole discretion. The Fund may have an interest in structuring debt securities and instruments that have financial terms (such as interest rates, repayment terms, seniority, covenants and events of default) that are more restrictive than the terms that such Other Accounts would seek to negotiate. Gallo Partners will seek to resolve such conflicts of interest in a fair and equitable manner. Conflict resolution may result in the Fund receiving more or less consideration than it may have otherwise received in the absence of such a conflict of interest.

Lack of Exclusivity. In general, the Governing Documents for the Fund and the investment management agreement for an SMA do not require Gallo Partners, the General Partner, or the Principal to devote all or any specified portion of their time to managing the Fund’s or the SMAs, but only to devote so much time to such affairs as they believe is necessary in good faith. Gallo Partners, the General Partner, and their affiliates and personnel will not be restricted from forming Other Accounts, from entering into other investment advisory relationships or from engaging in other business activities, even if such activities may be in competition with the Fund, an SMA, and/or may involve substantial time and resources of Gallo Partners, the General Partner, and their affiliates or personnel. These activities could be viewed as creating a conflict of interest in that the time and effort of Gallo Partners, the General Partner, and their affiliates and personnel will not be devoted exclusively to the business of the Fund but will be allocated between the business of the Fund and the management of Other Accounts and businesses.

Allocations of Trades and Investment Opportunities. Participation in specific trading opportunities may be appropriate, at times, to the Fund and one or more Clients. In such cases, Gallo Partners will seek

to allocate such opportunity between the Clients in a manner that it deems fair and equitable under the circumstances existing at such time and/or over time. In general, investments will be allocated to the Clients following a substantially similar investment strategy on a *pari passu* basis. There are scenarios under which Gallo Partners may deviate from this general policy based upon a number of factors. Such factors that Gallo Partners may consider when determining which securities to allocate to each Client include, but are not limited to: the intended objective and strategy of each Client and any applicable investment or risk restrictions or guidelines, including leverage constraints and position limits; the relative amounts of capital in each Client account available for new investments of the type at issue; Gallo Partners' perception of the appropriate risk/reward ratio for each Client, taking into account, among other things, market exposure, anticipated volatility and diversification; the liquidity of each Client account at the time of investment and thereafter; the ability to add positions to a Client on a leveraged basis; whether the position is an "odd lot"; whether the position is being added in a "de minimis" amount; applicable contractual, legal, tax and regulatory considerations; the overall portfolio composition of each Client account; and such other considerations that Gallo Partners determines to be relevant at such time.

Gallo Partners will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, the Fund or other Client account solely because Gallo Partners purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to, a particular Client or the Fund if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Fund or the other Client account.

In particular, when a particular Client ramps up their investment and trading strategies, the Fund may receive reduced or no allocations of certain securities so that the other Clients obtain their desired risk and portfolio size.

The Investment Manager Could Have Different Compensation Arrangements with Other Accounts. Gallo Partners could be subject to a conflict of interest because varying compensation arrangements among the Fund and other Client(s) could incentivize Gallo Partners, the General Partner, or affiliates to manage the Fund and such Clients differently. These and other differences could make a Client less profitable than certain other Clients.

For example, the compensation earned by Gallo Partners and its affiliates from an SMA may be greater than the compensation earned from the Fund and, Gallo Partners will have a conflict of interest in allocating trades among the Fund and other Clients. To mitigate such conflicts of interest, Gallo Partners will generally follow documented policies and procedures in allocating trading opportunities among its Clients, which do not take into account the fees and/or allocations to which such accounts are subject or the financial interest that the Principal, their affiliates and/or senior management employees of Gallo Partners may have in the Fund or any other Client account.

Competition. The securities industry and the varied strategies and techniques to be engaged in by Gallo Partners are extremely competitive and each involves a degree of risk. Gallo Partners will compete with firms, including many of the larger funds and securities firms, which have substantially greater financial resources and research staff.

Investment and Trading Risks Generally. An investment in the Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. Gallo Partners invests in and actively trades securities and other financial instruments using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the global equity, currency, and fixed income markets, the risks of leverage, the potential illiquidity of derivative instruments and other portfolio

investments and the risk of loss from counterparty defaults and the risk of borrowing to meet withdrawal requests. No guarantee is made that Gallo Partners' investment program or overall portfolio of the Fund, or various investment strategies used, or investments made will have low correlation with each other or that the Fund's returns will exhibit low long-term correlation with an Investor's traditional securities portfolio. In particular, Gallo Partners will use investment techniques including margin transactions, option transactions, swaps and other derivative transactions, and forward and futures contracts, which involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Funds may be subject. All investments made by Gallo Partners risk the loss of capital. No guarantee or representation is made that Gallo Partners' investment program will be successful, that the Fund will achieve their investment objective or that there will be any return of capital invested to Investors, and investment results vary and have varied substantially over time.

Dependence on Service Provider. Gallo Partners relies on service providers for certain aspects of their business, including certain financial operations, trade related activity, IT infrastructure and systems, trade reconciliation, and margin and collateral movement. Gallo Partners does not control or direct these service providers and have limited transparency into such businesses' day-to-day operations. Any interruption or deterioration in the performance of such service providers could impair the quality of Gallo Partners' operations, negatively impact its and the reputation of the Funds and the investment strategies of the Fund, limit the Fund's potential to grow, and ultimately expose the Investors to losses.

Limited Liquidity of Interests. An investment in the Fund provides limited liquidity because the interests are not freely transferable and generally an Investor has limited rights to withdraw capital from the Fund. In addition, Gallo Partners may limit or suspend the rights of the Investors to make withdrawals, as described herein and in the Governing Documents. Each Fund is intended for long-term investors who can accept the risks associated with investing primarily in securities that involve a high degree of financial risk and are potentially illiquid. There is no public market for the Fund's interests, and no such market is expected to develop in the future. Investors may not sell, transfer, exchange, assign, pledge, hypothecate or otherwise dispose of their Fund interests (or any portion thereof) without the consent of Gallo Partners and/or the General Partner, which may be withheld for any reason or no reason.

In addition, there can be no assurance that the Fund will have sufficient cash to satisfy withdrawal requests, or that it will be able to liquidate investments at favorable prices at the time of such withdrawal request. Gallo Partners may also (but is not required to) make in-kind withdrawal payments to Investors from the Fund's portfolio. Such investments, if distributed may not be readily marketable or saleable and may have to be held by such Investor for an indefinite period of time. Additionally, any risk of loss and delay in liquidating these securities will be borne by the Investors, with the result that such Investors may receive less cash than it would have received on the date of withdrawal.

No Guarantee of Return or Performance. The obligations or performance of the Clients or the returns on investments in the Client accounts are not guaranteed in any way. Any losses of the Fund or an SMA will be borne solely by Investors in the Fund or SMA Client. Ownership interests in the Fund are not insured by the Federal Deposit Insurance Corporation, and are not deposits, obligations of, or endorsed or guaranteed in any way, by any banking entity.

Absence of Regulatory Oversight. The Fund is not registered in reliance upon an exemption available to privately offered investment companies under the Investment Company Act of 1940 (the "**1940 Act**"), and, accordingly, numerous provisions of the 1940 Act are not applicable.

In addition, while Gallo Partners intends to be registered as an investment adviser with the SEC under the Advisers Act, such registration does not mean that the SEC or any other regulatory authority has reviewed or endorsed this offering or will actively supervise the actions of Gallo Partners or the Fund.

Limited Liquidity; No Secondary Market. An investment in the Fund is suitable only for sophisticated investors who have no need for current liquidity. An investment in the Fund provides limited liquidity since the Fund interests are not freely transferable and may be redeemed from the Fund only on a quarterly basis, subject to certain lock-up periods and/or the early redemption charge. There is no secondary market for the Fund interests, and none is likely to develop in the future. In addition, depending on the then current status of the financial markets, the liquidity profile of the Fund's portfolio may not correspond with redemption requests the Fund receives from Investors, and the Fund may suspend redemptions and redemption payments, make payments in-kind (including through liquidating entities) or take such other appropriate measures as Gallo Partners and the General Partner deem necessary.

Investment and Trading Risks. All securities investments risk the loss of capital. Gallo Partners believes that the Fund's investment program and Gallo Partners' research techniques will moderate this risk through a careful selection of securities and other financial instruments. However, no guarantee or representation is made that the Fund's investment program or an SMA's investment program will be successful or that the Fund or an SMA will not incur losses. Gallo Partners' investment program in managing the Fund and SMAs may utilize investment techniques including, but not limited to, trading in put and call options and other derivatives, the use of leverage and short sales, which in practice can, in certain circumstances, increase the adverse impact to which the Fund and SMAs may be subject.

In certain transactions, the Fund may not be "hedged" against market fluctuations or, in reorganization or liquidation situations, may not accurately value the assets of the Fund or the degree of legal and regulatory risk associated with investments in the securities of companies in such situations. This can result in losses, even if the proposed transaction is consummated.

Gallo Partners will attempt to assess the foregoing risk factors, and others, in determining the extent of the position it will take in the relevant securities and the price it is willing to pay for such securities. However, such risks cannot be eliminated.

Investment Analysis. When assessing investment opportunities, Gallo Partners relies on resources that may have limited or incomplete information. In particular, Gallo Partners relies on publicly available information and data filed with various government regulators or made directly available to Gallo Partners by the issuers of securities or through sources other than the issuers. Although Gallo Partners expects that it will evaluate information and data as it deems appropriate and will seek independent corroboration when reasonably available, Gallo Partners will not evaluate all publicly available information and data and is not in a position to confirm the completeness, genuineness or accuracy of the information and data that it evaluates.

As a result, there can be no assurance that the due diligence exercise carried out by Gallo Partners will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any investment in the Fund or an SMA.

Equity Securities. In managing the Client portfolios Gallo Partners will invest in equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In

addition, events such as political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect a Client's positions.

Small to Medium Capitalization Companies. Gallo Partners may invest Client assets in the stocks of companies with small- to medium-sized market capitalizations. While Gallo Partners believes these investments often provide significant potential for appreciation, these stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. Smaller companies often times lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Securities of Growth Companies. Gallo Partners will invest Client assets in securities of companies in their growth stage. Growth stocks are typically more volatile than value stocks due to their relatively high valuations and sensitivity to investor perceptions of the issuer's growth potential. As a result, the price of growth equities may experience a larger decline on a forecast of lower earnings or other negative development than would a value stock or the market average in general. Certain growth companies may have more limited product lines or markets and may be less financially secure than more established companies. If a product fails or there are other adverse developments, or if management changes, the company may lose substantial value, especially for smaller growth companies. For example, many growth equities operate in fast-moving industries that are disrupting the status quo through technology, but the disruptor itself may be disrupted by a new technology.

Energy Market Risk Generally. Gallo Partners is expected to invest on behalf of Clients in securities of companies that have exposure in the energy sector, and therefore, Client performance could be negatively impacted by events affecting this sector. The market value of securities in the energy sector may decline for many reasons including, fluctuations in energy prices and supply and demand of energy fuels caused by geopolitical events, the success of exploration projects, weather or meteorological events, taxes, increased governmental or environmental regulation, resource depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events that result in injury, loss of life or property, pollution or other environmental damage claims, terrorist threats or attacks, among other factors. Markets for various energy-related commodities can have significant volatility and are subject to control or manipulation by large producers or purchasers. Companies in the energy sector may need to make substantial expenditures, and may incur significant amounts of debt, to maintain or expand their reserves through exploration of new sources of supply, through the development of existing sources, through acquisitions, or through long-term contracts to acquire reserves. Factors adversely affecting producers, refiners, distributors, or others in the energy sector may adversely affect companies that service or supply those entities, either because demand for those services or products is curtailed, or those services or products come under price pressure. Issuers in the energy sector may also be impacted by changing investor and consumer preferences.

Renewable and Clean Energy Sector Risk. Gallo Partners is expected to invest on behalf of Clients in securities of companies in the renewable energy sector, which are subject to swift price and supply fluctuations caused by events relating to international politics, the success of project development and tax and other governmental regulatory policies. Weak demand for the companies' products or services, or for renewable energy products and services in general, may adversely affect the Clients' performance. Obsolescence of existing technology, short product cycles, falling prices and profits, the supply of, and demand for, oil and gas, the price of oil and gas, competition from new market entrants and general economic conditions can significantly affect the renewable energy sector. The clean renewable sector is an emerging growth area, and therefore shares of such companies may be more volatile and, historically,

have been more volatile than shares of companies operating in other, more established sectors. In addition, certain methods used to value companies involved in the alternative power and power technology sectors, particularly those companies that have not yet traded profitably, have not been in widespread use for a significant period of time. As a result, the use of these valuation methods may serve to increase further the volatility of certain alternative power and power technology company share prices.

Industrial Sector Risk. Gallo Partners is expected to invest on behalf of Clients in securities of companies in the industrial sector, which can be significantly affected by, among other things, worldwide economic growth, supply and demand for specific products and services, rapid technological developments, international political and economic developments, environmental issues, tariffs and trade barriers, and tax and governmental regulatory policies. As the demand for, or prices of, industrials increase, the value of such investments generally would be expected to also increase. Conversely, declines in the demand for, or prices of, industrials generally would be expected to contribute to declines in the value of such securities. Such declines may occur quickly and without warning and may negatively impact the value of the Clients' portfolios.

Electric Sector Risk. Gallo Partners is expected to invest on behalf of Clients in securities of companies in the electric utility sector. The electric utility sector consists of companies that are engaged principally in the generation, distribution, transmission, delivery or sale of electric energy, although many also provide other energy-related services. In the past, electric utility companies, in general, have been favorably affected by lower fuel and financing costs and the full or near completion of major construction programs. In addition, many of these companies have generated cash flows in excess of current operating expenses and construction expenditures, permitting some degree of diversification into unregulated businesses. Some electric utilities have also taken advantage of the right to sell power outside of their traditional geographic areas. Electric utility companies have historically been subject to the risks associated with increases in fuel and other operating costs, high interest costs on borrowings needed for capital construction programs, costs associated with compliance with environmental and safety regulations and changes in the regulatory climate, and risks related to abandonment of old projects and cost overruns of new projects. In a period of declining interest rates, many utilities refinance high cost debt and in doing so improve their fixed charges coverage. In a period of declining interest rates, however, regulators may lower allowed rates of return as interest rates decline and thereby cause the benefits of the interest rate declines to be shared wholly or in part with customers. In a period of rising interest rates, the allowed rates of return may not keep pace with the utilities' increased costs. The construction and operation of nuclear power facilities are subject to strict scrutiny by, and evolving regulations of, the Nuclear Regulatory Commission and state agencies which have comparable jurisdiction. Strict scrutiny might result in higher operating costs and higher capital expenditures, with the risk that the regulators may disallow inclusion of these costs in rate authorizations or the risk that a company may not be permitted to operate or complete construction of a facility. In addition, operators of nuclear power plants may be subject to significant costs for disposal of nuclear fuel and for decommissioning such plants.

Nuclear Energy Sector Risk. Performance of a Client account will be sensitive to, and the performance may depend to a greater extent on, the overall condition of nuclear energy companies. The companies represented in a Client's portfolio may face considerable risk as a result of, among other risks, incidents and accidents, breaches of security, ill-intentioned acts or terrorism, natural disasters (such as floods or earthquakes), equipment malfunctions or mishandling in storage, handling, transportation, treatment or conditioning of substances and nuclear materials. Such events could have serious consequences, especially in case of radioactive contamination and irradiation of the environment, for the general population, as well as a material, negative impact on a Client's portfolio companies and thus the Client's financial situation. In addition, the nuclear energy sector is subject to competitive risk associated with the prices of other energy sources, such as natural gas and oil, obsolescence of existing technology, short product cycles, falling prices

and profits, competition from new market entrants and general economic conditions. The price of uranium may be affected by changes in inflation rates, interest rates, monetary policy, economic conditions and political stability. In addition, uranium mining companies may also be significantly affected by import controls, energy conservation efforts, the success of energy exploration projects, liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control devices. Consumers of nuclear energy may have the ability to switch between nuclear energy and other energy sources and, as a result, during periods when competing energy sources are less expensive, the revenues of companies in the nuclear energy sector may decline with a corresponding impact on earnings.

Nuclear activity is also subject to particularly detailed and restrictive regulations, with a scheme for the monitoring and periodic re-examination of operating authorization, which primarily takes into account nuclear safety, environmental and public health protection, and also national security considerations (terrorist threats in particular). These regulations and any future regulations may be subject to significant tightening by national and international authorities. There are substantial differences among the regulatory practices and policies of various jurisdictions, and any given regulatory agency may make major shifts in policy from time to time. There is no assurance that regulatory authorities will, in the future, grant rate increases or that such increases will be adequate to permit the payment of dividends on common stocks issued by a utility company. Additionally, existing and possible future regulatory legislation may make it even more difficult for utilities to obtain adequate relief. In addition, governmental authorities may from time-to-time review existing policies and impose additional requirements governing the licensing, construction and operation of nuclear power plants. This could result in increased operating costs, which would have a negative impact on a Client's portfolio companies and may cause operating businesses related to nuclear energy to become unprofitable or impractical to operate.

Uranium prices are subject to fluctuation. The price of uranium has been and will continue to be affected by numerous factors beyond Gallo Partners' or a Client's control. Such factors include the demand for nuclear power, political and economic conditions in uranium producing and consuming countries, uranium supply from secondary sources and uranium production levels and costs of production. In addition, the prices of crude oil, natural gas and electricity produced from traditional hydro power and possibly other undiscovered energy sources could potentially have a negative impact on the competitiveness of nuclear energy companies in which the Gallo Partners invests on behalf of Clients.

Securities of the companies involved in this industry have been significantly more volatile than securities of companies operating in other more established industries. Certain valuation methods currently used to value companies involved in the nuclear power and power technology sectors, particularly those companies that have not yet traded profitably, have not been in widespread use for a significant period of time. As a result, the use of these valuation methods may serve to increase further the volatility of certain alternative power and power technology company share prices.

Oil and Gas Sector Risk. Gallo Partners is expected to invest on behalf of Clients in securities of companies in the oil and gas sector. The profitability of companies in the oil and gas sector is related to worldwide energy prices, exploration costs, and production spending. Companies in the oil and gas sector may be at risk for environmental damage claims and other types of litigation, as well as negative publicity and perception. Companies in the oil and gas sector may be adversely affected by natural disasters or other catastrophes, changes in exchange rates, interest rates, changes in prices for competitive energy services, economic conditions, tax treatment, government regulation and intervention, and unfavorable events in the regions where companies operate (e.g., expropriation, nationalization, confiscation of assets and property or imposition of restrictions on foreign investments and repatriation of capital, military coups, social unrest, violence or labor unrest). As a result, the value of these companies may fluctuate

widely. Companies in the oil and gas sector may have significant capital investments in, or engage in transactions involving, emerging market countries, which may heighten these risks. Any of these factors could result in a material adverse impact on the investments made by Gallo Partners on behalf of Clients.

Concentration of Investments. Subject to any limitations adopted by Gallo Partners from time to time, the Gallo Partners is not restricted in the amount of Client capital that it may commit to any issuer, security, industry sector or geographic region, and at times a Client(s) may hold a relatively large concentration in a limited number of issuers, securities, industry sectors and/or geographic regions. Losses incurred in connection with those investments could have a material adverse effect on a Client's overall financial condition. This is because the value of a Client's investment portfolio will be more susceptible to any single occurrence affecting one or more of those issuers, securities, industry sectors or geographic regions than would be the case with a more diversified investment portfolio.

Fixed Income Securities. Gallo Partners will trade on behalf of the Clients in bonds and may trade in other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations, or debt securities issued or guaranteed by a sovereign government or one of its agencies or instrumentalities. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

Gallo Partners will trade on behalf of the Clients in fixed-income securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult.

"High Yield" Securities. Gallo Partners will invest on behalf of the Clients in "higher yielding" (and, therefore, higher risk) debt securities. Such securities are generally considered to be below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. In certain periods, there may be little or no liquidity in markets for these securities. Furthermore, it is likely that a major economic recession or financial crisis could have a materially adverse impact on the value of such securities. High yield securities have historically experienced greater default rates than has been the case for investment grade securities. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which react primarily to fluctuations in the general level of interest rates. The markets for high yield securities tend to be more volatile, less liquid and less active than those for higher-rated securities, which can adversely affect the price at which these securities can be sold and may make it impractical or impossible to sell such securities at times of market dislocation. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these securities.

Foreign Investments. Gallo Partners will trade on behalf of the Clients in non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the U.S., as well as securities and other instruments of companies having substantial profits and/or revenues generated in non-U.S. currencies. Such transactions require consideration of certain risks not typically associated with trading in U.S. securities or other instruments. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation

by the U.S. or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the U.S., and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. Gallo Partners or a Client might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, could at times fail to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Client's performance.

Incentive Allocation / Performance Allocation. The reallocation of a percentage of Fund's net profits to the General Partner may create an incentive for Gallo Partners to invest the assets of the Fund or an SMA in investments that are riskier or more speculative than would be the case if this reallocation were not made. Since the reallocation is calculated on a basis which includes unrealized appreciation of assets, such allocation may be greater than if it were based solely on realized gains.

Leverage. Gallo Partners will use leverage as part of the Fund's investment program and the amount of leverage which the Fund may have outstanding at any time may be substantial in relation to its capital. Leverage may be obtained by borrowing funds to make trades or by purchasing or entering into derivative instruments that are inherently leveraged, such as swaps, options, futures and forward contracts.

If the interest expense on borrowings were to exceed the net return on the positions acquired with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged. If the amount of borrowings which the Fund may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the Fund's portfolio will have a disproportionately large effect in relation to its capital and the possibilities for profit and the risk of loss will therefore be increased. Any gains made with the additional monies borrowed will generally cause the value of the Fund's assets to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies fails to cover their cost to the Fund, the value of the Fund's assets will generally decline faster than would otherwise be the case. The amount of any borrowing may also be limited by regulations imposed by the Federal Reserve Board or by the availability and cost of credit, as well as due to overall market conditions. If, due to market fluctuations or other reasons, the value of the Fund's assets should fall below required regulatory or counterparty-imposed levels, the Fund will be required to reduce its debt by selling securities in its long portfolio. The Fund may also be unable to carry-out its investment program if it is not able to obtain leverage on reasonable terms.

In the case of derivative instruments, because many derivatives are "leveraged," such instruments provide significantly more market exposure than the money paid or deposited when the transaction is entered into and, thus, a relatively small adverse market movement in the underlying asset can not only result in the loss of the entire investment, but may also expose the Fund to the possibility of a loss exceeding the original amount invested.

In addition, in transactions involving derivative instruments, counterparties and lenders will likely require the Fund to post collateral to support its obligations. Should the securities and other assets pledged as collateral decline in value, or should brokers increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), the Fund could be subject to a "margin call" pursuant

to which it must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a precipitous drop in the value of pledged securities, the Fund might not be able to liquidate assets quickly enough to pay off the margin debt or provide additional collateral and may suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses. Furthermore, secured counterparties and lenders will generally have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of collateral posted by the Fund. This could increase exposure to the risk of a counterparty default since, under such circumstances, the Fund may be unable to recover the posted collateral promptly or may be unable to recover all of the posted collateral.

Gallo Partners will engage in the trading of options on futures for the account of the Fund, typically for hedging purposes. If Gallo Partners, on behalf of the Fund, buys an option (either to sell or buy a futures contract or commodity), the Fund will be required to pay a "premium" representing the market value of the option. Unless the price of the futures contract or commodity underlying the option changes and it becomes profitable to exercise or offset the option before it expires, the Fund may lose the entire amount of the premium.

Short Sales. Gallo Partners will engage in the short selling of securities, currencies or other instruments on behalf of the Clients. A short sale involves the sale of a security, currency or other instrument that an account does not own in the expectation of purchasing the same security, currency or other instrument (or a security, currency or other instrument exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the account must borrow the security, currency or other instrument and the account is obligated to return the security, currency or other instrument to the lender, which is accomplished by a later purchase of the security, currency or other instrument by the account. When an account makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a non-U.S. exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security, currency or other instrument that would result in a theoretically unlimited loss to the account. The extent to which Gallo Partners will engage in short sales on behalf of the Clients will depend upon Gallo Partners' investment strategy and perception of market direction and the value of individual securities, currencies or other instruments (as applicable). Gallo Partners may engage in short sales on behalf of a Client(s) as a hedge against potential market declines and/or based on its fundamental analysis of the subject issuers.

Call Options. There are risks associated with the sale and purchase of call options in which Gallo Partners will engage on behalf of the Clients. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Put Options. There are risks associated with the sale and purchase of put options in which Gallo Partners will engage on behalf of the Clients. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the

underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Exchange Traded Funds (“ETFs”). Gallo Partners will trade in ETFs on behalf of the Clients. ETFs are generally structured to invest in all or a representative sample of the securities that generally replicate the price and yield performance of an underlying market index or sector such as a broad stock market, industry sector, domestic or international equity or fixed income, or U.S. or foreign government bond. ETF shares are traded on stock exchanges and markets at open market prices that generally track the net asset value per share of the ETF. Direct issuances and redemption of ETF shares at the ETF's net asset value per share only occur in large blocks (or creation units) transacted between the ETF and authorized institutional purchasers on an in-kind basis. An exchange traded sector fund may be adversely affected by the performance of that specific sector or group of industries on which it is based. International investments may involve risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, or economic and/or political instability in other nations and/or other factors. Although index-based ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, ETFs may not be able to replicate exactly the performance of the indices because of their expenses and other factors. ETF shares may trade at either a discount or premium to their underlying net asset value. The purchase or sale of ETF shares on the secondary market involves the payment of brokerage commissions, and the purchase and redemption of creation units involves other transaction costs and brokerage commissions. Investors in ETFs also directly bear the ETF's costs associated with its payment of investment management fees and fees for administrative, custodial or other services and thus the Shareholders will indirectly incur an additional layer of fees and expenses.

Inside Information. From time to time, Gallo Partners and its affiliates may come into possession of inside information concerning specific companies. Under applicable securities laws, this may limit Gallo Partners' ability to buy or sell securities issued by such companies on behalf of the Clients. If a Client(s) holds the securities of the company with respect to which Gallo Partners is in possession of inside information, the Client(s) may be restricted from trading the securities of such company for an indefinite period of time, which could result in losses to the Client(s).

Alternative Data Risk. Gallo Partners may use so-called “alternative data,” which generally refers to data that is not the traditional exchange or accounting data that has been widely used by the mainstream investment industry. Risks associated with alternative data include the possibility of new legal and regulatory frameworks targeting the collection and use of the data or technological changes that may make the data less useful or available. There is also the possibility that the organizations providing alternative data may cease operations, change business models, or suffer temporary outages due to technical issues. Insider trading and “fair practice” laws are generally untested in this area. Investment decisions based on alternative data may be flawed for various reasons, such as incomplete, “dirty” or misunderstood data, or problems with the technology used to collect and analyze it.

Changes and Uncertainty in U.S. and International Regulation. Clients may be adversely affected by uncertainties such as international and domestic political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other

developments in the laws and regulations of the countries to which the Clients' assets are exposed through their investments or investor base. During this period of uncertainty, market participants may react quickly to unconfirmed reports or information and as a result there may be increased market volatility. This unpredictability could cause Gallo Partners to alter investment and trading plans, including the holding period of positions and the nature of instruments used to achieve the Clients' investment objectives.

In the United States, the Clients, Gallo Partners, and the General Partner may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the Financial Stability Oversight Council, and other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. In addition, the securities and futures markets are subject to comprehensive statutes and regulations, including margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The Dodd-Frank Act and the rules promulgated thereunder could result in the Clients, Gallo Partners and the General Partner becoming subject to additional regulatory compliance burdens and trade reporting, which may add significant costs to the Clients. The Dodd-Frank Act endows the SEC, the CFTC, and other regulators with discretionary authority to write and interpret new rules. The ultimate impact of the Dodd-Frank Act on the Funds, Gallo Partners and the General Partner is unclear and will depend in large part on the regulations that the CFTC and SEC promulgate, as well as any legislative changes that may be made. There is speculation that some of the provisions of the Dodd-Frank Act and rules and regulations promulgated thereunder may be revised, repealed or amended.

In 2021, 2022, and 2023, the SEC released a wave of proposed rules and/or rule amendments that would directly and materially impact private fund advisers such as Gallo Partners (the "**Private Fund Proposals**"). The adoption of all or any part of the Private Fund Proposals would result in the Fund, Gallo Partners and the General Partner becoming subject to additional regulatory compliance burdens, which may add significant costs to, or have other adverse impacts on, the Fund. Furthermore, Gallo Partners may have to amend certain of its policies and procedures and/or the terms of the Fund applicable to Investors in order to comply with the Private Fund Proposals, which could adversely impact Investors, including bearing costs associated with revising fund documentation.

The impact of any such changes is unknown. Neither Gallo Partners, the General Partner, nor the Fund undertakes to update Investors upon such changes or finalization of any such regulations.

Market Disruption Events and Geopolitical Risks. Gallo Partners may trade in different markets and different kinds of instrument types on behalf of the Clients. It is possible that as a result of war, terrorist act, natural disaster, outbreak of infectious disease, epidemic, pandemic or other serious public health concern, or geopolitical or other extraordinary or unforeseen circumstance or event (a "**Market Disruption Event**"), one or more of these markets may cease operating for a limited or indeterminable period of time. In that event, it may be difficult for Gallo Partners to value the positions that trade in the affected markets, and the Clients may be exposed to significant movements in the perceived value of instruments without having the ability to trade those instruments.

Additionally, Market Disruption Events may have a substantial effect on economies and securities markets in the U.S. or worldwide and could materially adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of a Client's investments. Market Disruption Events could also affect the principal prime brokers and custodians that carry and clear the Clients' trades and positions. The inability of key marketplace intermediaries to function could have an adverse impact upon liquidity as well as the ability of Gallo Partners to trade certain positions on behalf of the Clients. Market Disruption Events could also

have a direct physical impact upon Gallo Partners' operations, including the destruction of their facilities and/or incapacity or loss of life to key personnel.

Furthermore, in late February 2022, Russia launched a large-scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, and NATO countries generally, including the United States. In response to the military action by Russia, various countries, including the United States, the United Kingdom, and European Union (the "EU") issued broad-ranging economic sanctions against Russia. The ramifications of the hostilities and sanctions, however, may not be limited to Russia and Russian companies but may spill over to and negatively impact other regional and global economic markets of the world (including Europe and the United States), companies in other countries (particularly those that have done business with Russia) and on various sectors, industries and markets for securities and commodities globally, such as oil and natural gas. Accordingly, the potential for a wider conflict could increase financial market volatility, cause severe negative effects on regional and global economic markets, industries, and companies and have a negative effect on the performance of the Funds beyond any direct exposure to Russian issuers or those of adjoining geographic regions.

While Gallo Partners has taken steps intended to mitigate the adverse consequences that could arise from the occurrence of a Market Disruption Event, the inability to predict the timing, location, source and severity of such event or events make it difficult to provide assurances that the Funds would not suffer material adverse consequences should a Market Disruption Event occur.

Inflation Risk. Due to a convergence of different economic factors, including scarcity of workers, pent-up demand and insufficient supply, inflation has recently hit a 40-year-high. High inflation may undermine the performance of the investments by made by Gallo Partners on behalf of the Clients, by reducing the value of such investments and/or the income received from such investments and/or increasing the borrowing costs incurred by the Clients.

Generally, for example, when inflation rises, the Federal Reserve will increase interest rates to decrease borrowing, driving the value of the dollar down even as the cost of goods rises and spending power drops. This causes bond yields (interest) to increase as investors demand compensation for inflation risk. Ultimately, the price of the bonds is expected to drop as investors lose interest in it, lowering the value of any such investments. Furthermore, for example, on discounted cash flow calculations and the presumption that interest rates will change, growth stocks are typically negatively impacted by high inflation. Rising inflation is also expected to lead to general market uncertainty and therefore could impact all types of investments made by Gallo Partners on behalf of the Clients.

Operational and Information Security Risk from Cyberattacks; Cyber-Fraud; Disaster Recovery.

Gallo Partners, the Fund, the SMAs, and their service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cyberattacks affecting the Fund, the SMAs, Gallo Partners, the General Partner, the fund administrator, the Fund's prime brokers, custodians, and other third-party service providers may adversely impact the Fund and other Clients. For instance, cyberattacks may interfere with the processing of investor transactions, impact the ability to calculate the Fund's net asset values, cause the release of private investor information or other confidential information, impede trading, subject the Fund and their service providers to regulatory fines or financial losses and cause reputational damage. Similar types of cybersecurity risks are also present for other market participants, which may have material adverse consequences for the Fund, and may cause the Fund's investments to lose value. The Fund may also be the targets of cyber-

fraud that could result in the theft of assets from the Funds, especially as computer malware, viruses and computer hacking, fraudulent use attempts and phishing and spoofing attacks have become more prevalent. In the hedge fund industry, these attacks have included third party actors submitting fraudulent redemption and transfer requests, resulting in the theft of the rightful investor's assets. The Funds and their service providers may incur additional costs relating to cybersecurity preparations, including in order to comply with the SEC's Private Fund Proposals relating to cybersecurity, which would require, if adopted, an SEC-registered investment adviser to undergo an annual review and assessment of cybersecurity policies and procedures, and such preparations, though taken in good faith, may be inadequate. Cyberattacks are viewed as an emerging risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

While Gallo Partners has put in place certain safeguards in case of disruption of information technology, including transmission failures, there can be no guarantee that such measures will be effective against all situations or will be implemented in time, and each of the Funds and the SMAs may be adversely affected thereby.

Business Continuity. Various force majeure events, including acts of God, natural disasters such as fire, flood or earthquakes, wars, terrorist acts, outbreaks of infectious disease, epidemics, pandemics or other serious public health concerns, cyber-attacks, technology and/or power failures, labor strikes, or geopolitical or other extraordinary, or other unforeseen circumstances or events, may materially disrupt Gallo Partners' business and operations, or the business and operations of any counterparty or service provider to Gallo Partners or the Fund, and the Fund or an SMA may be adversely affected thereby. For example, if a significant number of Gallo Partners' personnel were to be unavailable in a force majeure event (such as war, terror attack or an outbreak of infectious disease), Gallo Partners' ability to effectively conduct the Fund's' and other Clients' business could be severely compromised. In addition, the cost to the Fund, and SMA, Gallo Partners, or its affiliates of repairing or replacing damaged assets or systems resulting from such force majeure event could be considerable. While Gallo Partners has adopted certain policies and procedures designed to restore and/or continue its business and operations in such situations, there is no guarantee that such policies and procedures will be effective in any of such situations or will be implemented in time, and the Clients may be adversely affected thereby.

Item 9: Disciplinary Information

Gallo Partners is required to disclose all material facts regarding any legal or disciplinary events that would be material to a prospective investor or current Investor's evaluation of our business or the integrity of Gallo Partners. Gallo Partners has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of Gallo Partners have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

Neither Gallo Partners nor the General Partner are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Gallo Partners nor the General Partner are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

The General Partner is an affiliated entity of Gallo Partners.

Neither Gallo Partners nor the General Partner recommend or select other investment advisers for the Funds.

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

Code of Ethics

Gallo Partners has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act (the “**Code**”) that establishes certain standards of conduct and rules for its employees and/or access persons (as applicable). A summary of the Code is provided below. All access persons of Gallo Partners must acknowledge annually that they understand and agree to the terms of the Code.

The Code incorporates the following general principles that all employees are expected to uphold at all times:

- Employees must place the interest of clients first;
- Employees must conduct all personal securities transactions in a manner consistent with the Code and seek to avoid both actual conflicts of interest and the appearance thereof, and;
- Employees may not take inappropriate advantage of their own positions with Gallo Partners for their own personal benefit.

Personal Trading

The Code permits access persons, upon prior approval from the CCO, to purchase or sell publicly-traded securities for their own accounts or accounts that the access person controls or which the access person may be deemed to have beneficial ownership (such as an account of a spouse or minor child). Gallo Partners generally prohibits access persons from trading in securities that largely comprise the investable universe of Gallo Partners’ Clients.

Access persons are permitted to buy and sell private securities (such as investments in hedge fund, private equity funds and private companies) with prior approval. Access persons are also permitted to invest in mutual funds and U.S. and non-U.S. government issued obligations without prior approval. In addition, Gallo Partners may permit access persons to maintain accounts that are managed on a discretionary basis by a third party if the access person has no direct or indirect influence or control over the investments for the account.

Gifts and Entertainment, Political Activities and Outside Activities

The Code provides that gifts and entertainment must be reasonable in light of industry practices and should never be given or received if the purpose is to influence the recipient. Gallo Partners requires access persons to report or receive approval for the receipt or giving of gifts and entertainment under certain circumstances.

The Code also generally requires access persons to obtain prior approval before the access person, a spouse or certain other immediate family members makes a political contribution or engages in certain campaign-related fundraising activities. This policy is intended to prevent scenarios whereby an access

person may make a contribution or engage in an activity for the selection of Gallo Partners as an investment adviser for a governmental equity.

Finally, the Code provides that, without prior approval, access persons are generally not permitted to engage in certain types of outside business activities. This policy is intended to prevent material conflicts of interest that could arise from an access person's personal activities.

Participation or Interest in Client Transactions

Gallo Partners, its principals and employees do not purchase or sell any securities for their own accounts to or from the Clients. However, subject to the investment guidelines and restrictions of the Clients, Gallo Partners may effect rebalancing or internal cross transactions. In such cases, Gallo Partners may determine that it would be in the best interests of the Fund and one or more other Clients to transfer a security from one Client to another (each such transfer, a "**Cross Trade**") for a variety of reasons, including tax purposes, liquidity purposes, to rebalance the portfolios of the accounts, or to reduce transaction costs that may arise in an open market transaction. If Gallo Partners decides to engage in a Cross Trade, Gallo Partners will determine that the trade is in the best interests of both of the accounts involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those accounts.

In the unlikely event that Gallo Partners was to execute Cross Trades, it would be with the assistance of a broker-dealer that executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a cross transaction between two Clients may occur as an "internal cross", where Gallo Partners instructs the custodian for the accounts to book the transaction at the price determined in accordance with Gallo Partners' Valuation Policy. If Gallo Partners effects an internal cross, Gallo Partners will not receive any fee in connection with the completion of the transaction.

Additional Considerations

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities, partners and personnel in connection with Client transactions. Gallo Partners has established written policies and procedures, which contain procedures to monitor and resolve conflicts and will endeavor to resolve conflicts in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

Item 12: Brokerage Practices

Gallo Partners has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Portfolio transactions for the Clients are allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Investment Manager and/or certain Clients, but not beneficial to all Clients. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, Gallo Partners may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction,

marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Clients by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. Gallo Partners need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither Gallo Partners nor the Clients separately compensates any broker or dealer for any of these other services. Gallo Partners maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

Soft Dollar Usage

From time to time, Gallo Partners pays a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Client transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. Gallo Partners will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e). Gallo Partners believes it is important to its investment decision-making processes to have access to independent research.

Also, consistent with Section 28(e), research products or services obtained with “soft dollars” generated by the Fund may be used by Gallo Partners to service one or more other Clients, including accounts that may not have paid for the soft dollar benefits. Gallo Partners will not seek to allocate soft dollar benefits to Client(s) in proportion to the soft dollar credits the Client(s) generate. Where a product or service obtained with soft dollars provides both research and non-research assistance to Gallo Partners (i.e., a “mixed use” item), Gallo Partners will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Gallo Partners’ allocation of the costs of such benefits and services between those that primarily benefit Gallo Partners and those that primarily benefit the Client(s).

When Gallo Partners uses brokerage commissions (or markups or markdowns) generated by any Client to obtain research or other products or services, Gallo Partners receives a benefit because it does not have to produce or pay for such products or services. While Gallo Partners is obligated to seek best execution for each Client, the fact that Gallo Partners can obtain or receive such products or services may create an incentive for it to select or recommend a particular broker-dealer based on Gallo Partners’ interests, to the exclusion of another broker-dealer that offers business terms that are also favorable to one or more Clients.

At least annually, Gallo Partners considers the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon and attempts to allocate a portion of the brokerage business of its Clients on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will Gallo Partners make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will

it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Trade Aggregation and Allocation Policies and Procedures

Generally, Gallo Partners executes trades and investments for the Fund and the SMAs. Gallo Partners will aggregate a trade for the Clients. In such instances, Gallo Partners will use its best efforts to obtain the same price for the security and make an allocation in a *pari passu* manner - taking into account the respective opportunity is considered appropriate. In addition, in analyzing trade execution for the Clients, Gallo Partners will take into account, among other considerations: whether the risk-return profile of the proposed investment is consistent with each Client's objectives, the potential for the proposed investment to create an imbalance in an Client's portfolio, the liquidity requirements of each Client, potentially adverse tax consequences, regulatory restrictions that would or could limit an account's ability to participate in a proposed investment, and the need to re-size risk in a Client's portfolio.

Gallo Partners will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, a Client solely because Gallo Partners purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to, another Client(s) if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for a particular Client(s).

In particular, when the Fund is ramping up its investment or trading strategies, it may receive larger allocations of certain securities than the other accounts in order to obtain its desired risk and portfolio size. Conversely, when other accounts (such as an SMA) ramp up their investment and trading strategies, the Fund may receive reduced or no allocations of certain securities.

Trade Errors

Trade errors involving transactions in any account directly or indirectly held by the Fund or any derivatives contract or other similar agreement of the Fund and/or any trading vehicle (each, a "**Trade Error**") may occur. Trade Errors include the placement of orders (either purchases or sales) in excess of, or less than, the amount of securities the account intended to trade; the sale of a security when it should have been purchased; the purchase of a security when it should have been sold; the purchase or sale of the wrong security; and the purchase or sale of a security for the wrong account and the post-settlement discovery of such purchase or sale. Trades implemented as a result of faulty data, systems, coding, modeling or analysis, trades that are properly executed but result in losses, errors committed by other persons (including brokers and custodians), or that are otherwise caused by human error other than those specifically described above, are not considered Trade Errors. The loss of an investment opportunity is not considered a Trade Error.

Such errors may result in losses or gains. Gallo Partners will use reasonable efforts to detect such errors prior to settlement and promptly correct them. To the extent that an error is caused by a counterparty, such as a broker-dealer, Gallo Partners will use reasonable efforts to recover any losses associated with such error from the counterparty.

Pursuant to the exculpation and indemnification provided by the Fund to Gallo Partners and its affiliates and personnel, Gallo Partners and its affiliates and personnel will generally not be liable to the Fund for any act or omission, absent bad faith, gross negligence, willful misconduct or actual fraud of such person, and the Fund will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Fund, absent bad faith, gross negligence, willful misconduct

or actual fraud of such person. As a result of these provisions, the Fund (and not the Investment Manager) will benefit from any gains resulting from Trade Errors and other errors and will be responsible for any losses (including additional trading costs) resulting from Trade Errors and other errors, absent bad faith, gross negligence, willful misconduct or actual fraud of the relevant person. Gallo Partners will not offset any such gains and losses resulting from Trade Errors and other errors unless the underlying transactions constitute a single transaction or closely related series of transactions. Gallo Partners will reimburse the Fund for losses for which Gallo Partners is responsible under the exculpation provisions. Given the potentially large volume of transactions executed by Gallo Partners on behalf of the Fund, Investors should assume that Trade Errors and other errors will occur and that, to the extent permitted by applicable law and under the Fund's respective Governing Documents, the Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Gallo Partners' personnel.

Item 13: Review of Accounts

Gallo Partners intends to perform daily reviews of the Clients' portfolios, as well as various other periodic formal and informal reviews.

Investors in the Fund generally receive periodic commentary letters, as well as monthly account statements. Gallo Partners may, in its discretion, provide certain investors with additional information on a more frequent basis upon request. In addition, Gallo Partners issues investors tax reports, as well as audited financial statements of the Fund within 120 days of the end of the Fund's fiscal year.

The Fund

Each Investor in the Fund will receive periodic commentary letters, as well as other reports as described in the Governing Documents of the Fund. Specifically, Investors in the Fund will receive at least quarterly unaudited financial reports or account statements in accordance with the Governing Documents and Investors in the Fund will also receive audited financial statements of the Fund on an annual basis within 120 days of the end of the Fund's fiscal year (see "Item 15 – Custody").

SMA's

The custodian of the SMA will provide to each SMA with respect to its accounts an account statement, at least quarterly, identifying the amount of funds and of each security in such SMA custodial account during such period and setting forth all transactions in such custodial during that period.

Item 14: Client Referrals and Other Compensation

Although Gallo Partners does not currently have and does not intend to have any third-party placement agents, in the future, Gallo Partners may agree to pay third-party placement agents that refer investors to the Fund. The compensation typically paid to those placement agents includes a portion of the fixed fee and/or performance allocation earned by Gallo Partners in respect of Investors referred to by such placement agents. Investors are generally not subject to any incremental fees in connection with the referral unless incremental fees are payable by the investor directly to the placement agent under the terms of the separate agreement between the investor and the placement agent (to which Gallo Partners is not a party).

The referral arrangements described above involve potential conflicts of interest because the placement agent may have an incentive to favor sales of interests in the Fund over sales of other investment products

for which the agent will receive no or lower fees. Prospective and existing Investors should consider this potential conflict of interest when evaluating any recommendation or referral by an agent regarding an investment in the Fund.

Item 15: Custody

Gallo Partners will comply with the requirements of Rule 206(4)-2 of the Advisers Act ("**Custody Rule**") with regards to Gallo Partners' custody of the Fund's assets. Gallo Partners is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account.

Gallo Partners does not expect to be required to comply (or expects to be deemed to have complied) with certain requirements of the Custody Rule with respect to the Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that (i) each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (PCAOB), (ii) each Fund's audited financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP), and (iii) each Fund distributes its audited financial statements to all Investors in the relevant Fund(s) within 120 days of the end of its fiscal year.

Gallo Partners does not intend to have custody of any SMA.

Item 16: Investment Discretion

Gallo Partners has full discretionary authority to manage the Fund, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Gallo Partners' authority is limited by its own internal policies and procedures and the Fund's investment guidelines. These terms are set out in the Governing Documents of the Fund.

Pursuant to the investment management agreement for an SMA and the Governing Documents for the Fund, Gallo Partners has the authority to determine (i) the securities to be purchased and sold for the Fund and SMAs, and (ii) the amount of securities to be purchased or sold for the Fund and the SMAs.

Item 17: Voting Client Securities

Proxy Voting Policies and Procedures

Gallo Partners has established proxy voting policies and procedures designed to ensure that proxies, to the extent Gallo Partners has been delegated authority to vote such proxies on behalf of the Fund and SMA(s) and elects to vote, are voted in the best interest of the Clients. When voting proxies, Gallo Partners must identify and address material conflicts that may arise between Gallo Partners' interests and those of the Clients. Specifically, Gallo Partners monitors the potential for conflicts of interest that might arise from personal relationships that Gallo Partners or its employees may have with parties involved in the vote, significant Investor or Client relationships with those parties, and other special circumstances.

Gallo Partners will vote proxies as it deems necessary or appropriate, on a case by case basis. Prior to voting, the CCO will determine whether the conflict is material to the vote and will either resolve the conflict or refer the proxy vote to an outside service for its independent consideration.

Investors or Clients may also contact Gallo Partners via e-mail or telephone to request a copy of its proxy voting policy.

Class Action Participation Procedures

To the extent that Gallo Partners has discretion to participate in class action lawsuits filed against companies or issuers in which the Fund are invested, Gallo Partners may participate in such class action lawsuits if it believes that such participation is in the best interest of the Funds on a case-by-case basis.

Item 18: Financial Information

Gallo Partners has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to investors and has not been the subject of a bankruptcy proceeding.