

Item 1: Cover Page
Part 2A of Form ADV: Firm Brochure
October 4, 2024



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Firm Contact:
Zenía Delgado
Chief Compliance Officer

This brochure provides information about the qualifications and business practices of Galliot Capital Advisors, LLC ("Galliot Capital" or "Firm"). If clients have any questions about the contents of this brochure, please contact us at (310) 362-3320. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about our Firm is also available on the SEC's website at www.adviserinfo.sec.gov by searching CRD #313094.

Please note that the use of the term "registered investment adviser" and description of our Firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our Firm's associates who advise clients for more information on the qualifications of our Firm and our employees.

Item 2: Material Changes

Galliot Capital is required to notify clients of any information that has changed since the last annual update of the Firm Brochure ("Brochure") that may be important to them. Clients can request a full copy of our Brochure or contact us with any questions that they may have about the changes.

Since our last Form ADV Part 2A filed with the SEC on March 31, 2024, our Firm has the following material changes to disclose:

Item 1, Cover Page, has been amended to reflect the new effective date of this brochure.

Item 4, Advisory Business, has been updated to clarify Galliot Capital's ownership by Antoine Souma through entities wholly controlled by him and to clarify the nature of Galliot Capital's advisory business.

Item 5, Fees & Compensation, has been updated to clarify the scope of fees charged by Galliot Capital.

Item 5 and 6, have been amended to include additional clarification around fees related to advisory services.

Item 8, Methods of Analysis, Investment Strategies & Risk of Loss, has been amended to include supplemental risk factors applicable to Galliot Capital's business.

Item 12, Brokerage Practices, has been amended to remove references to custodians/broker-dealers that are not utilized by Galliot Capital.

Item 14, Client Referrals & Other Compensation, has been amended to state that Galliot Capital does not receive economic benefits from non-clients for providing investment advice and other advisory services

Item 15, Custody, has been amended to explain Galliot Capital's efforts to subject its private funds under management to annual audits in compliance with the Custody Rule under the Investment Advisers Act, of 1940, as amended.

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Item 4: Advisory Business

Galliot Capital is a limited liability company formed under the laws of the State of Delaware in 2020 and has been in business as an investment adviser since 2021. Our Firm is wholly owned by Galliot Finance One, Inc., which is wholly owned by Galliot LLC, which is wholly owned by Antoine Souma.

Galliot Capital is a family office and investment advisory boutique serving the needs of high and ultra-high net worth individuals, families and businesses.

The purpose of this Brochure is to disclose the conflicts of interest associated with the investment transactions, compensation and any other matters related to investment decisions made by our Firm or its representatives. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing our client. Our Firm has established a service-oriented advisory practice with open lines of communication for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. Working with clients to understand their investment objectives while educating them about our process facilitates the kind of working relationship we value.

Types of Advisory Services Offered

Asset Management

As part of our Asset Management service, a portfolio is created, consisting of individual stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Portfolios will be designed to meet a particular investment goal, determined to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives.

Comprehensive Portfolio Management

As part of our Comprehensive Portfolio Management service clients will be provided with asset management and financial planning or consulting services. This service is designed to assist clients in meeting their financial goals through the use of a financial plan or consultation. Our Firm conducts client meetings to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what is learned, an investment approach is presented to the client, consisting of individual stocks, bonds, ETFs, options, mutual funds and other public and private securities or investments. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives. Upon client request, our Firm provides a summary of observations and recommendations for the planning or consulting aspects of this service.

Our firm utilizes the sub-advisory services of a third-party investment advisory firm or individual advisor to aid in the implementation of an investment portfolio designed by our firm. Before selecting a firm or individual, our firm will ensure that the chosen party is properly licensed or registered. Our firm will not offer advice on any specific securities or other investments in connection with this service. We will provide initial due diligence on third party money managers and ongoing reviews of their management of client accounts. In order to assist in the selection of a third-party money manager, our firm will gather client information pertaining to the financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account.

Our firm will periodically review third party money manager reports provided to the client at least

annually. Our firm will contact clients from time to time in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and assist the client in understanding and evaluating the services provided by the third party money manager. Clients will be expected to notify our firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

Financial Planning & Consulting

Our Firm provides a variety of standalone financial planning and consulting services to clients for the management of financial resources based upon an analysis of current situation, goals, and objectives. Financial planning services will typically involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, or Business and Personal Financial Planning. These services may include assisting clients in engaging in illiquid or alternative investments.

Written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. Implementation of the recommendations will be at the discretion of the client. Our Firm provides clients with a summary of their financial situation, and observations for financial planning engagements. Financial consultations are not typically accompanied by a written summary of observations and recommendations, as the process is less formal than the planning service. Assuming that all the information and documents requested from the client are provided promptly, plans or consultations are typically completed within 6 months of the client signing a contract with our Firm.

Institutional Consulting

Our Firm provides Institutional Consulting to institutional clients including corporations, pensions, endowments, unions, and other institutional clients. Institutional consulting will typically involve rendering a consultation for clients based on the client's financial goals and objectives. It may also include investment management services. Consulting consists of assisting Entity with monitoring and reviewing their investment goals and investment policy statement. As the needs of the Entity dictates, areas of advising include:

- Market overview addressing the major markets, indices, sectors and the economic statistics that are affecting them.
- An in-depth portfolio summary, including fund and benchmark returns, style analysis and overall portfolio return.
- A detailed examination of each fund within the Account, including performance numbers versus the category and index, manager style drift, risk/return, standard deviation, Sharpe ratio, upside and downside capture and fund allocation. This Agreement does not guarantee the future performance or results of any investment option recommended or reviewed.

We will conduct strategic planning sessions to review current performance reports and establish future objectives and strategies for the Account.

Retirement Plan Consulting

Our Firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing,

monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising may include:

- Establishing an Investment Policy Statement – Our Firm will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our Firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction – Our Firm will develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- Investment Monitoring – Our Firm will monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.
- Participant Education – Our Firm will provide opportunities to educate plan participants about their retirement plan offerings, different investment options, and general guidance on allocation strategies.

In providing services for retirement plan consulting, our Firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our Firm accepts appointment to provide services to such accounts, our Firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

Multi-Family Office Services

Galliot Capital is committed to delivering a true family office experience. Our financial professionals will be there every step of the way for you and your loved ones and your generations to come. For a select group, our Firm provides comprehensive Multi-Family Office Services (“MFO”). Acting as the family’s MFO, we monitor ongoing execution and integration of all wealth management activities, including investment management, asset management, family management, family business, and a family’s legal, accounting, and tax matters. As our Firm does directly manage client investments, we also provide oversight of third-party investment advisors and their activity. This service is designed to be highly customizable and allow MFO families to select the services that are most suitable to their situation. Personal MFO services generally encompass:

Family Wealth Management

- Personalized Portfolio design
 - Equity trading
 - Bond trading
 - Structured investments
- Lending consulting
- Legal & tax strategy interpretation & coordination
- Tax & income plan management
- Retirement plan design
- Wealth transfer plan design
- Charitable plan design

- Asset protection strategy & exposure monitoring
- Beneficiary education
- Investment policy development
- Asset allocation development
 - Investment vehicle recommendation
 - Investment manager recommendation & due diligence
 - Investment oversight & performance monitoring
 - Third Party Investment management fee negotiation
 - Asset Consolidation reporting
- Private placements and other illiquid investments
 - Due diligence on illiquid investments
- Insurance policy management
 - Active policy management
 - Solvency studies
- Direct investment analysis (real estate, business, acquisitions, etc.)
- Leverage management – financing negotiation
- Private Real Estate Investments

Family Business Management

- Advisory Board Candidacy
- M&A Advisory
- Feasibility studies
- Company restructuring
- Bookkeeping

MFO Structure & Oversight

- Establish MFO structure duties & governance
- Assign internal family and external team member Org chart
- Coordination and oversight of all professional advisors
- Annual education & review meetings with all MFO members
- Cross-Border Structuring
- Trust management

Concierge Services

- Luxury Travel Assistance
- Auto purchase and negotiation
- Aircraft Leasing and Jet share consulting
- Maritime and Aircraft management
- Watercraft Leasing, purchase and negotiation

Management of Private Investment Vehicles

Galliot Capital is an advisor to multiple affiliated private investment vehicles (“GCAP Funds”). The GCAP Funds are organized in Cayman Islands and Delaware. The Interests in the vehicles have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any state or other securities laws, and are currently offered and sold for investment only to qualifying recipients of an Offering Memorandum pursuant to an exemption from the registration requirements under the Securities Act, and in compliance with any applicable state or other securities laws. The Investment Vehicles are not registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”).

Tailoring of Advisory Services

Our Firm offers individualized investment advice to our Asset Management and Comprehensive Portfolio Management clients. General investment advice will be offered to our Institutional Consulting and Retirement Plan Consulting clients.

Each Asset Management or Comprehensive Portfolio Management client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

Participation in Wrap Fee Programs

Our Firm does not offer or sponsor or participate in wrap fee programs.

Regulatory Assets Under Management

As of December 31, 2023, Galliot Capital has approximately \$118,220,000 in Regulatory Assets Under Management of which \$105,607,000 are Discretionary assets and \$12,613,000 are Non-Discretionary assets. In addition, Galliot Capital has approximately \$80,193,000 in Assets Under Advisement as of December 31, 2023.

Item 5: Fees and Compensation

Compensation for Our Advisory Services

Galliot Capital charges fees for its services on an annual basis. The Firm's fees include the following:

- Fees based on a percentage of assets under management
- Performance-based fees
- Hourly Fees
- Fixed Fees
- Consulting Fees

Asset Management

The maximum annual fee charged for this service will not exceed 1.50%. Fees to be assessed will be outlined in the advisory agreement to be signed by the client and are negotiable. Fees are billed on a pro-rata basis quarterly in arrears based on the average daily balance of the account during the quarter. Fees will be pro-rated for withdrawals made during the quarter. Fees for client accounts held at certain custodians will be deducted directly from client account(s). In other cases, per the custodial agreement, an invoice will be sent to the client, and upon direction from the client to the custodian, the custodian will debit the fee from the client account and remit the fee to Galliot Capital. As part of this process, clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our Firm.
- b) Clients will provide authorization permitting our Firm to be directly paid by these terms
- c) Our Firm will send an invoice directly to the custodian; and
- d) If our Firm sends a copy of our invoice to the client, a legend urging the comparison of

information provided in our statement with those from the qualified custodian will be included.

Comprehensive Portfolio Management

The maximum annual fee charged for this service will not exceed 1.75%. Fees to be assessed will be outlined in the advisory agreement to be signed by the client and are negotiable. Fees are billed on a pro-rata basis quarterly in arrears based on the average daily balance of the account during the quarter. Fees will be pro-rated for withdrawals made during the quarter. Fees for client accounts held at certain custodians will be deducted directly from client account(s). In other cases, per the custodial agreement, an invoice will be sent to the client, and upon direction from the client to the custodian, the custodian will debit the fee from the client account and remit the fee to Galliot Capital. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our Firm;
- b) Clients will provide authorization permitting our Firm to be directly paid by these terms.
- c) Our Firm will send an invoice directly to the custodian; and
- d) If our Firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

If a third-party money manager is chosen and agreed to by the client, any fees charged by Galliot Capital shall be in addition to any fees assessed by the chosen third-party money manager. The third-party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them. Third party money managers establish and maintain their own separate billing processes over which we have no control. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

Management of Private Investment Vehicles

Galliot Capital may receive fees based on a percentage of assets under management for acting as the investment adviser to the GCAP Funds in accordance with each fund's governing documents. Additionally, the GCAP Funds will pay performance-based compensation in the form of a carried interest to Galliot Capital. These fees are separate and distinct from any advisory fees paid by Galliot Capital's clients as part of their advisory agreement with us. These compensation arrangements constitute a conflict of interest as some of Galliot Capital's clients are also direct investors into the GCAP Funds that we manage. Galliot Capital charges subscription fees, amounting to 1% of the subscription amount, to investors in some of the GCAP Funds. One of the GCAP Funds consists of segregated portfolios in each of which is held a separate investment. This private investment vehicle charges a Subscription Fee for some of the segregated portfolios but not all of the portfolios. A subscription fee is only charged where there is a similar fee charged to the GCAP Funds by the underlying investment. The purpose of charging such a fee is to pay the corresponding fee charged by the underlying investment.

In addition, Galliot Capital has four single investment private investment vehicles under management. For these vehicles, Galliot Capital charges an annual management fee, the primary purpose of which is to cover the annual overhead assessed by the administrator of these private funds.

Financial Planning & Consulting

Our Firm charges on a flat fee or percent of assets managed basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Flat fees will not exceed \$250,000. When billed as a percent of assets, the annualized fee shall not exceed 2.00%. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Our Firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months.

Institutional Consulting

The maximum annual fee charged for this service will not exceed 2.00%. Fees to be assessed will be outlined in the advisory agreement to be signed by the client. Fees are generally billed on a pro-rata basis quarterly in arrears based on the average daily balance of the account during the quarter. Fees are negotiable and will be deducted directly from client account(s). Fees will be pro-rated for withdrawals made during the quarter. In rare cases, our Firm will agree to directly invoice. As part of this process, clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our Firm.
- b) Clients will provide authorization permitting our Firm to be directly paid by these terms. Our Firm will send an invoice directly to the custodian; and
- c) If our Firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

Retirement Plan Consulting

Our Retirement Plan Consulting services are billed on a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Fees based on a percentage of managed Plan assets will not exceed 1.25%. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement.

Multi-Family Office Services

Multi-Family Office Services, fees integrate financial planning, financial consulting, ongoing portfolio monitoring, ongoing execution and integration of all wealth management activities, including legal, accounting, tax and investments oversight of third-party investment advisors and their activity. Fees are based on the scope, complexity, time commitment and necessary resources devoted to administering investable assets, including real estate, businesses, life insurance, restricted stock, partnerships, annuities, retirement plans, and all other investable assets. Fees for investment advisory services to be assessed will be outlined in the advisory agreement to be signed by the client. Fees for services that are not investment advisory in nature will be charged in accordance with the separate agreement detailing those services. Our Firm charges a minimum fee of \$25,000 for our MFO service. Galliot Capital will send each client an invoice in accordance with the client agreement and the fees for various services will be charged in accordance with this section. For services that are not advisory in nature clients may receive a separate invoice or the invoice may be bundled with fees based on assets under management. In this case invoices will be itemized to reflect the fee for each type of service.

Other Types of Fees & Expenses

Clients will incur transaction fees for trades executed by their chosen custodian, either based on a percentage of the dollar amount of assets in the account(s) or via individual transaction charges. These transaction fees are separate from our Firm's advisory fees and will be disclosed by the chosen custodian. Some custodians do not charge transaction fees for certain types of securities transactions. Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (e.g., fund management fees, distribution fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions). Our Firm does not receive a portion of these fees.

Employees of Galliot Capital may and generally do invest in the same strategies or investment vehicles as its clients, including the GCAP Funds. Fees and investment minimums will generally be waived or reduced for Galliot Capital's principals and employees. Investments made by Galliot Capital, its principals, and employees are generally made on the same terms as investors in the strategies or private funds.

Termination & Refunds

Either party may terminate the advisory agreement signed with our Firm for Asset Management and Comprehensive Portfolio Management services in writing at any time. Upon notice of termination pro-rata advisory fees for services rendered to the point of termination will be charged. If advisory fees cannot be deducted, our Firm will send an invoice for due advisory fees to the client.

Financial Planning & Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our Firm.

Either party to a Retirement Plan or Institutional Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within 5 business days of signing an agreement. After 5 business days from initial signing, either party must provide the other party 30 days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by our Firm on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable.

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

Performance Fees

Qualified clients as defined by Rule 205-3 of the Investment Adviser's Act, may enter into advisory agreements where the Firm is entitled to a performance fee as part or all of its compensation. Qualified investors must meet the following requirements: (a) have at least \$1,000,000 in under management with the adviser; or (b) have a net worth of at least \$2,200,000 in order to enter into performance-based compensation agreements with Galliot Capital. Pursuant to the rule, in calculating a natural person's net worth: (a) the person's primary residence will not be included as an asset; (b) indebtedness that is secured by the person's primary residence (e.g., a mortgage), up to the estimated fair market value of the primary residence at the time the advisory contract is entered into, will not be subtracted

as a liability; and (c) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time the advisory contract is entered into will be subtracted as a liability. Suitability will be determined through the use of a detailed suitability questionnaire and follow-up due diligence inquiries. The Firm at its sole discretion, may reject any client application where the above financial standards are not met and/or where it reasonably believes the investor lacks the necessary financial sophistication, who purport to not fully understand the Firm's method of compensation and the nature of its risks, or who are otherwise deemed to be unsuitable for such an arrangement.

We manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management may create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees may create an incentive for our Firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. Performance-based fees may also create an incentive for our Firm to overvalue investments which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our Firm to "fairly value" any investments, which do not have a readily ascertainable value.

Side-by-side management might provide an incentive for our Firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to clients who are charged performance-based fees over clients who are charged asset-based fees only. To address this conflict of interest, we have instituted policies and procedures that require our Firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

Currently, Galliot Capital charges a performance fee, in the form of a carried interest, only to the GCAP Funds we manage.

Employees of Galliot Capital may and generally do invest in the same strategies or investment vehicles as its clients, including the GCAP Funds. Fees and investment minimums will generally be waived or reduced for Galliot Capital's principals and employees. Investments made by Galliot Capital, its principals, and employees are generally made on the same terms as investors in the strategies or private funds.

Item 7: Types of Clients

Our Firm has the following types of clients:

- Individuals and High Net Worth Individuals.
- Trusts, Estates or Charitable Organizations.
- Pension and Profit-Sharing Plans.
- Corporations, Limited Liability Companies and/or Other Business Types
- Private Investment Vehicles

Our Firm does not impose requirements for opening and maintaining accounts or otherwise engaging us. Our Firm will require a minimum fee of \$25,000 for our MFO service. Additionally, the minimum net worth requirement for our MFO service is \$250 million.

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

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis: The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom-up analysis and top-down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (a) to conduct a company stock valuation and predict its probable price evolution; (b) to make a projection on its business performance; (c) to evaluate its management and make internal business decisions; (d) and/or to calculate its credit risk; and (e) to find out the intrinsic value of the share.

When the objective of the analysis is to determine what stock to buy and at what price, there are two basic methodologies investors rely upon: (a) Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security; and (b) Technical analysis maintains that all information is reflected already in the price of a security. Technical analysts analyze trends and believe that sentiment changes predate and predict trend changes. Investors' emotional responses to price movements lead to recognizable price chart patterns. Technical analysts also analyze historical trends to predict future price movement. Investors can use one or both of these different but complementary methods for stock picking. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis: A security analysis methodology for forecasting the direction of prices through the study of past market data, primarily price and volume. A fundamental principle of technical analysis is that a market's price reflects all relevant information, so their analysis looks at the history of a security's trading pattern rather than external drivers such as economic, fundamental and news events. Therefore, price action tends to repeat itself due to investors collectively tending toward patterned behavior – hence technical analysis focuses on identifiable trends and conditions. Technical analysts also widely use market indicators of many sorts, some of which are mathematical transformations of price, often including up and down volume, advance/decline data and other inputs. These indicators are used to help assess whether an asset is trending, and if it is, the probability of its direction and of continuation. Technicians also look for relationships between price/volume indices and market indicators. Technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns. Technical analysis is widely used among traders and financial professionals and is very often used by active day traders, market makers and pit traders. The risk associated with this type of analysis is that analysts use subjective judgment to decide which pattern(s) a particular instrument reflects at a given time and what the interpretation of that pattern should be.

Third-Party Money Manager Analysis: The analysis of the experience, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. Analysis is completed by monitoring the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of the due-diligence process, the manager's compliance and business enterprise risks are surveyed and

reviewed. A risk of investing with a third-party manager who has been successful in the past is that they may not be able to replicate that success in the future. In addition, as our firm does not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as our firm does not control the manager's daily business and compliance operations, our firm may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Investment Strategies We Use

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Alternative Investments: Hedge funds, commodity pools, Real Estate Investment Trusts ("REITs"), Business Development Companies ("BDCs"), and other alternative investments involve a high degree of risk and can be illiquid due to restrictions on transfer and lack of a secondary trading market. They can be highly leveraged, speculative, and volatile, and an investor could lose all or a substantial amount of an investment. Alternative investments may lack transparency as to share price, valuation and portfolio holdings. Complex tax structures often result in delayed tax reporting. Compared to mutual funds, hedge funds and commodity pools are subject to less regulation and often charge higher fees. Alternative investment managers typically exercise broad investment discretion and may apply similar strategies across multiple investment vehicles, resulting in less diversification.

Asset Allocation: The implementation of an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame. Asset allocation is based on the principle that different assets perform differently in different market and economic conditions. A fundamental justification for asset allocation is the notion that different asset classes offer returns that are not perfectly correlated, hence diversification reduces the overall risk in terms of the variability of returns for a given level of expected return. Although risk is reduced as long as correlations are not perfect, it is typically forecast (wholly or in part) based on statistical relationships (like correlation and variance) that existed over some past period. Expectations for return are often derived in the same way.

An asset class is a group of economic resources sharing similar characteristics, such as riskiness and return. There are many types of assets that may or may not be included in an asset allocation strategy. The "traditional" asset classes are stocks (value, dividend, growth, or sector-specific or a "blend" of any two or more of the preceding; large-cap versus mid-cap, small-cap or micro-cap; domestic, foreign developed, emerging or frontier markets), bonds (fixed income securities more generally: investment-grade or high-yield); government or corporate; short-term, intermediate, long-term; domestic, foreign, emerging markets, and cash or cash equivalents. Allocation among these three provides a starting point. Usually included are hybrid instruments such as convertible bonds and preferred stocks, counting as a mixture of bonds and stocks. Other alternative assets that may be considered include: commodities: precious metals, nonferrous metals, agriculture, energy, others.; Commercial or residential real estate (also REITs); Collectibles such as art, coins, or stamps; insurance products (annuity, life settlements, catastrophe bonds, personal life insurance products, etc.); derivatives such as long-short or market neutral strategies, options, collateralized debt, and futures; foreign currency; venture capital; private equity; and/or distressed securities.

There are several types of asset allocation strategies based on investment goals, risk tolerance, time frames and diversification. The most common forms of asset allocation are: strategic, dynamic, tactical, and core-satellite.

- **Strategic Asset Allocation:** The primary goal of a strategic asset allocation is to create an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Generally speaking, strategic asset allocation strategies are agnostic to economic environments, i.e., they do not change their allocation postures relative to changing market or economic conditions.
- **Dynamic Asset Allocation:** Dynamic asset allocation is similar to strategic asset allocation in that portfolios are built by allocating to an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Like strategic allocation strategies, dynamic strategies largely retain exposure to their original asset classes; however, unlike strategic strategies, dynamic asset allocation portfolios will adjust their postures over time relative to changes in the economic environment.
- **Tactical Asset Allocation:** Tactical asset allocation is a strategy in which an investor takes a more active approach that tries to position a portfolio into those assets, sectors, or individual stocks that show the most potential for perceived gains. While an original asset mix is formulated much like strategic and dynamic portfolio, tactical strategies are often traded more actively and are free to move entirely in and out of their core asset classes.
- **Core-Satellite Asset Allocation:** Core-Satellite allocation strategies generally contain a 'core' strategic element making up the most significant portion of the portfolio, while applying a dynamic or tactical 'satellite' strategy that makes up a smaller part of the portfolio. In this way, core-satellite allocation strategies are a hybrid of the strategic and dynamic/tactical allocation strategies mentioned above.

Fixed Income: Fixed income is a type of investing or budgeting style for which real return rates or periodic income is received at regular intervals and at reasonably predictable levels. Fixed income investors are typically retired individuals who rely on their investments to provide a regular, stable income stream. This demographic tends to invest heavily in fixed-income investments because of the reliable returns they offer. Fixed-income investors who live on set amounts of periodically paid income face the risk of inflation eroding their spending power.

Some examples of fixed-income investments include treasuries, money market instruments, corporate bonds, asset-backed securities, municipal bonds and international bonds. The primary risk associated with fixed-income investments is the borrower defaulting on his payment. Other considerations include exchange rate risk for international bonds and interest rate risk for longer-dated securities. The most common type of fixed-income security is a bond. Bonds are issued by federal governments, local municipalities, and major corporations. Fixed-income securities are recommended for investors seeking a diverse portfolio; however, the percentage of the portfolio dedicated to fixed income depends on your own personal investment style. There is also an opportunity to diversify the fixed-income component of a portfolio. Riskier fixed-income products, such as junk bonds and longer-dated products, should comprise a lower percentage of your overall portfolio.

The interest payment on fixed-income securities is considered regular income and is determined based on the creditworthiness of the borrower and current market rates. In general, bonds and fixed-income securities with longer-dated maturities pay a higher rate, also referred to as the coupon rate, because they are considered riskier. The longer the security is on the market, the more time it has to lose its value and/or default. At the end of the bond term, or at bond maturity, the borrower returns the amount borrowed, also referred to as the principal or par value.

Long-Term Purchases: Our Firm may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that our Firm could miss out on potential short-term gains that could have been profitable to your account, or it's possible that the security's value may decline

sharply before our Firm makes a decision to sell.

Margin Transactions: Our Firm may securities for your portfolio with money borrowed from your brokerage account in the form of a margin account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase securities without selling other holdings. Margin accounts and transactions are risky and not necessarily appropriate for every client. It should be noted that our Firm bills advisory fees on securities purchased on margin which creates a financial incentive for us to utilize margin in client accounts.

The potential risks associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the forced sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; (4) you may not be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call; and (5) custodians charge interest on margin balances which will reduce your returns over time.

Options: An option is a financial derivative that represents a contract sold by one party (the option writer) to another party (the option holder, or option buyer). The contract offers the buyer the right, but not the obligation, to buy or sell a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). Options are extremely versatile securities. Traders use options to speculate, which is a relatively risky practice, while hedgers use options to reduce the risk of holding an asset. In terms of speculation, option buyers and writers have conflicting views regarding the outlook on the performance of a:

- *Call Option:* Call options give the option to buy at certain price, so the buyer would want the stock to go up. Conversely, the option writer needs to provide the underlying shares in the event that the stock's market price exceeds the strike due to the contractual obligation. An option writer who sells a call option believes that the underlying stock's price will drop relative to the option's strike price during the life of the option, as that is how he will reap maximum profit. This is exactly the opposite outlook of the option buyer. The buyer believes that the underlying stock will rise; if this happens, the buyer will be able to acquire the stock for a lower price and then sell it for a profit. However, if the underlying stock does not close above the strike price on the expiration date, the option buyer would lose the premium paid for the call option.
- *Put Option:* Put options give the option to sell at a certain price, so the buyer would want the stock to go down. The opposite is true for put option writers. For example, a put option buyer is bearish on the underlying stock and believes its market price will fall below the specified strike price on or before a specified date. On the other hand, an option writer who sells a put option believes the underlying stock's price will increase about a specified price on or before the expiration date. If the underlying stock's price closes above the specified strike price on the expiration date, the put option writer's maximum profit is achieved. Conversely, a put option holder would only benefit from a fall in the underlying stock's price below the strike price. If the underlying stock's price falls below the strike price, the put option writer is obligated to purchase shares of the underlying stock at the strike price.

The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

Short-Term Purchases: When utilizing this strategy, our Firm may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). Our Firm does this in an

attempt to take advantage of conditions that our Firm believes will soon result in a price swing in the securities our Firm purchase.

Preferred Investment Types

We prefer to invest our advisory clients in the following securities in managing client accounts, provided that such securities are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Equity Securities: Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of equity securities fluctuate based on, among other things, events specific to their issuers and market, economic and other conditions. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices. There may be little trading in the secondary market for particular equity securities, which may adversely affect our Firm's ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities. Investing in smaller companies may pose additional risks as it is often more difficult to value or dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.

Exchange Traded Funds ("ETFs"): An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) whose primary objective is to achieve the same return as a particular market index. The vast majority of ETFs are designed to track an index, so their performance is close to that of an index mutual fund, but they are not exact duplicates. A tracking error, or the difference between the returns of a fund and the returns of the index, can arise due to differences in composition, management fees, expenses, and handling of dividends. ETFs benefit from continuous pricing; they can be bought and sold on a stock exchange throughout the trading day. Because ETFs trade like stocks, you can place orders just like with individual stocks - such as limit orders, good-until-canceled orders, stop loss orders etc. They can also be sold short. Traditional mutual funds are bought and redeemed based on their net asset values ("NAV") at the end of the day. ETFs are bought and sold at the market prices on the exchanges, which resemble the underlying NAV but are independent of it. However, arbitrageurs will ensure that ETF prices are kept very close to the NAV of the underlying securities. Although an investor can buy as few as one share of an ETF, most buy in board lots. Anything bought in less than a board lot will increase the cost to the investor. Anyone can buy any ETF no matter where in the world it trades. This provides a benefit over mutual funds, which generally can only be bought in the country in which they are registered.

- One of the main features of ETFs are their low annual fees, especially when compared to traditional mutual funds. The passive nature of index investing, reduced marketing, and distribution and accounting expenses all contribute to the lower fees. However, individual investors must pay a brokerage commission to purchase and sell ETF shares; for those investors who trade frequently, this can significantly increase the cost of investing in ETFs. That said, with the advent of low-cost brokerage fees, small or frequent purchases of ETFs are becoming more cost efficient.

Index Funds: A mutual fund or exchange-traded fund ("ETF") designed to follow certain preset rules so that the fund can track specified basket of underlying investments. Those rules may include tracking prominent indexes like the S&P 500 or the Dow Jones Industrial Average or implementation rules, such as tax-management, tracking error minimization, large block trading or patient/flexible trading strategies that allows for greater tracking error, but lower market impact costs. Index funds

may also have rules that screen for social and sustainable criteria. An index fund's rules of construction clearly identify the type of companies suitable for the fund. The most commonly known index fund, the S&P 500 Index Fund, is based on the rules established by S&P Dow Jones Indices for their S&P 500 Index. Equity index funds would include groups of stocks with similar characteristics such as the size, value, profitability and/or the geographic location of the companies. A group of stocks may include companies from the United States, Non-US Developed, emerging markets or Frontier Market countries. Additional index funds within these geographic markets may include indexes of companies that include rules based on company characteristics or factors, such as companies that are small, mid-sized, large, small value, large value, small growth, large growth, the level of gross profitability or investment capital, real estate, or indexes based on commodities and fixed income. Companies are purchased and held within the index fund when they meet the specific index rules or parameters and are sold when they move outside of those rules or parameters. Think of an index fund as an investment utilizing rules-based investing. Some index providers announce changes of the companies in their index before the change date and other index providers do not make such announcements.

Index funds must periodically "rebalance" or adjust their portfolios to match the new prices and market capitalization of the underlying securities in the stock or other indexes that they track. This allows algorithmic traders to perform index arbitrage by anticipating and trading ahead of stock price movements caused by mutual fund rebalancing, making a profit on foreknowledge of the large institutional block orders. This results in profits being transferred from investors to algorithmic traders. One problem occurs when a large amount of money tracks the same index. According to theory, a company should not be worth more when it is in an index. But due to supply and demand, a company being added can have a demand shock, and a company being deleted can have a supply shock, and this will change the price. This does not show up in tracking error since the index is also affected. A fund may experience less impact by tracking a less popular index.

Mutual Funds: A mutual fund is a company that pools money from many investors and invests that money in a variety of differing security types based on the objectives of the fund. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares are the fund's per share net asset value ("NAV") plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads). Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades. With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which is calculated daily after market close.

The benefits of investing through mutual funds include: (a) Mutual funds are professionally managed by an investment adviser who researches, selects, and monitors the performance of the securities purchased by the fund; (b) Mutual funds typically have the benefit of diversification, which is an investing strategy that generally sums up as "Don't put all your eggs in one basket." Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds.; (c) Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.; and (d) At any time, mutual fund investors can readily redeem their shares at the current NAV, less any fees and charges assessed on redemption.

Mutual funds also have featured that some investors might view as disadvantages: (a) Investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distributions they receive. This includes instances where the fund performed poorly after purchasing shares.; (b) Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.; and (c) With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds, however, are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund's capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit and cannot use losses to offset these gains.

Private Equity: Private equity is an equity investment into non-quoted companies. The private equity investor looks at an investment prospect as investing in a company as opposed to investing in a company's stock. Private equity funds hold illiquid positions (for which there is no active secondary market) and typically only invest in the equity and debt of target companies, which are generally taken private and brought under the private equity manager's control. Risks associated with private equity include:

- **Funding Risk:** The unpredictable timing of cash flows poses funding risks to investors. Commitments are contractually binding and defaulting on payments results in the loss of private equity partnership interests. This risk is also commonly referred to as default risk.
- **Liquidity Risk:** The illiquidity of private equity partnership interests exposes investors to asset liquidity risk associated with selling in the secondary market at a discount on the reported NAV.
- **Market Risk:** The fluctuation of the market has an impact on the value of the investments held in the portfolio.
- **Capital Risk:** The realization value of private equity investments can be affected by numerous factors, including (but not limited to) the quality of the fund manager, equity market exposure, interest rates and foreign exchange.

Private Funds: A private fund is an investment vehicle that pools capital from a number of investors and invests in securities and other instruments. In almost all cases, a private fund is a private investment vehicle that is typically not registered under federal or state securities laws. So that private funds do not have to register under these laws, issuers make the funds available only to certain sophisticated or accredited investors and cannot be offered or sold to the general public. Private funds are generally smaller than mutual funds because they are often limited to a small number of investors and have a more limited number of eligible investors. Many but not all private funds use leverage as part of their investment strategies. Private funds management fees typically include a base management fee along with a performance component. In many cases, the fund's managers will become "partners" with their clients by making personal investments of their own assets in the fund. Most private funds offer their securities by providing an offering memorandum or

private placement memorandum, known as “PPM” for short.

The PPM covers important information for investors and investors should review this document carefully and should consider conducting additional due diligence before investing in the private fund. The primary risks of private funds include the following: (a) Private funds do not sell publicly and are therefore illiquid. An investor may not be able to exit a private fund or sell its interests in the fund before the fund closes; and (b) Private funds are subject to various other risks, including risks associated with the types of securities that the private fund invests in or the type of business issuing the private placement.

Real Estate Investment Trusts (“REITs”): REITs primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development and/or long-term mortgage loans. Changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, tax laws, and regulatory requirements, such as those relating to the environment all can affect the values of REITs. Both types of REITs are dependent upon management skill, the cash flows generated by their holdings, the real estate market in general, and the possibility of failing to qualify for any applicable pass-through tax treatment or failing to maintain any applicable exempted status afforded under relevant laws.

REITs involve a high degree of risk and can be illiquid due to restrictions on transfer and lack of a secondary trading market. They can be highly leveraged, speculative and volatile, and an investor could lose all or a substantial amount of an investment. Additionally, they may lack transparency as to share price, valuation and portfolio holdings as they are subject to less regulation and often charge higher fees.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also possible that the stock market may decrease and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, and that their assets are appropriately diversified in investments. Clients are encouraged to ask our Firm any questions regarding their risk tolerance.

Capital Risk: Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100% of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

Equity (Stock) Market Risk: Common stocks are susceptible to general stock market fluctuations and volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

ETF & Mutual Fund Risk: When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF’s or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities, the ETF, or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.

Fixed Income Securities Risk: Typically, the values of fixed-income securities change inversely with prevailing interest rates. Therefore, a fundamental risk of fixed-income securities is interest rate risk, which is the risk that their value will generally decline as prevailing interest rates rise, which may cause your account value to likewise decrease, and vice versa. How specific fixed income securities

may react to changes in interest rates will depend on the specific characteristics of each security. Fixed-income securities are also subject to credit risk, prepayment risk, valuation risk, and liquidity risk. Credit risk is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of a bond to decline.

Strategy Risk: There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

Financial Institution Risk: Financial institutions including banks, brokers, hedging counterparties, lenders or other custodians of our clients assets may fail to perform their obligations or experience insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by several financial institutions in March of 2023. These events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event any of Galliot Capital's financial institutions experiences any of the foregoing events, Galliot Capital, or its clients may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated financial institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, or the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. financial institutions that are not subject to similar regimes pose increased risk of loss. There can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Cryptocurrencies and Other Related Digital Assets: Digital currencies and digital assets are currently not heavily regulated and there exists regulatory uncertainty around these assets which could ultimately affect their value. Supply is determined by computer codes, not by central banks, and prices are significantly volatile. Any assets that reside on a digital currency exchange that shuts down could be permanently lost. Several factors affect the price of digital currencies, including, but not limited to, supply and demand, investors' expectations with several macroeconomic factors. As such, there can be no assurance that digital currencies will maintain their long-term value in terms of purchasing power in the future, or the acceptance of digital currencies as payments and mediums of exchange. Discrete risks related to digital currencies and private investments with a nexus to digital assets or cryptocurrencies are that they may lack audited financial statements, may be difficult to value, and may lack liquidity. Digital currencies are created, issued, transmitted, and stored according to protocols managed by computers in digital currency networks beyond the control of Galliot Capital. It is possible these protocols have flaws or security breaches that could result in the loss of some, or all assets held by Galliot Capital and its investors. There could also be network and cyberattacks against these protocols and/or network server hosts, resulting in permanent loss.

Cybersecurity Risks: Galliot Capital's information and technology systems could become vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltrations by unauthorized persons and security breaches, spyware, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Although Galliot Capital has implemented various measures to manage risks relating to these types of events, including, but not limited to, creating redundant systems at all times, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, Galliot Capital could potentially have to make a significant investment to fix or replace them. The failure of these systems and/or disaster recovery plans for any reason could cause significant interruptions in Galliot Capital's operations and result in a failure to maintain the security, confidentiality or privacy or sensitive data, including personal information relating to clients. Such a failure could harm Galliot Capital's reputation or subject it or its affiliates

to legal claims and otherwise affect their business and financial performance. Additionally, any failure of Galliot Capital's information, technology or security systems could have an adverse impact on its ability of Galliot Capital to manage its clients' accounts.

Outbreaks, Pandemics and Other Public Health Issues: In general, unexpected local, regional, or global events, such as the spread of infectious illnesses or other public health issues and their aftermaths, could have a significant adverse impact on Galliot Capital's operations (including the ability of Galliot Capital to find and execute suitable investments) and therefore a client's potential investment returns. In addition, such infectious illness outbreaks, as well as any restrictive measures implemented to control such outbreaks, could adversely affect the economies of many nations or the entire global economy, the financial condition of individual issuers or companies (including those that are held by, or are counterparties or service providers to, client accounts) and capital markets in ways that cannot necessarily be foreseen, and such impact could be significant and long term. Moreover, the impact of infectious illnesses in emerging market countries is generally greater due to generally less established healthcare systems. If such events occur, a client's exposure to a number of other risks described elsewhere in this Brochure can increase.

Description of Material, Significant or Unusual Risks

Our Firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our Firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our Firm may debit advisory fees for our services related to our Asset Management and Comprehensive Portfolio Management services, as applicable. Finally, certain investments like non publicly traded REITS and Private Equity investments can lack liquidity which adds a level of risk these types of investments can be leveraged, speculative and volatile, and an investor could lose all or a substantial amount of an investment.

Item 9: Disciplinary Information

Antoine Souma was involved in two customer disputes and a FINRA lead investigation. These disputes relate to unsuitable investments and inaccurate documentation.

On December 12, 2021, Mr. Souma was suspended by FINRA for two months and fined \$20,000. Without admitting or denying the findings, Mr. Souma consented to the sanctions and to the entry of findings that he provided incorrect and misleading account reports to a customer that, among other things, included incorrect account values and account performance information, omitted positions held in the customer's accounts, and, in one report, understated the amount of commissions that the customer paid for transactions.

On February 21, 2023, Mr. Souma was barred by FINRA on a permanent basis in all capacities. Without admitting or denying the findings, Mr. Souma consented to the sanctions and to the entry of findings that he refused to produce information and documents requested by FINRA in connection with its investigation into his compliance with FINRA Rule 3280 concerning participation in private securities transactions.

For additional information, please search CRD #4210987 at www.adviserinfo.sec.gov.

Item 10: Other Financial Industry Activities and Affiliations

Currently, neither Galliot Capital nor any investment adviser representatives of Galliot Capital are affiliated with any other Investment Advisers and/or Broker Dealers.

Mr. Mourad and Mr. Souma are currently licensed as an Insurance Agent with the State of California. They do not receive any additional compensation for the use of this license.

Item 11: Code of Ethics

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our Firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our Firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our Firm, and at least annually thereafter, all representatives of our Firm will acknowledge receipt, understanding and compliance with our Firm's Code of Ethics. Our Firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our Firm recognizes that the personal investment transactions of our representatives demand the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our Firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our Firm has established procedures for transactions effected by our representatives for their personal accounts¹. In order to monitor compliance with our personal trading policy, our Firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Participation or Interest in Client Transactions

Galliot Capital and some employees of Galliot Capital currently invest in certain private equity deals, along with some of our clients. This creates a potential conflict of interest in that Galliot Capital may provide advice that favors its own interests over clients' interests with respect to the timing and pricing of dispositions, voting decisions, and participation in additional investment opportunities related to the applicable private equity issuer.

In all cases, the investment by the Galliot Capital employee have been effected on the same terms and conditions as any other Galliot client that decided to participate in the opportunity in the same offering; however, Galliot Capital's employees are not charged any subscription or management fees.

In the event that the clients agree that the Units of the Company acquired by them as part of their participation in the private equity deal shall become portfolio assets under their Investment Advisory Agreement with Galliot Capital, then, by virtue of the Galliot Capital Investment, the Galliot Capital employee and Galliot Capital could be faced with certain conflicts of interest between favoring their own interests and the clients' interests with regard to the advice provided or activities undertaken with respect to the Units. Specifically, in providing advice to the clients in connection with their holdings of the Company, the Galliot Capital Purchaser and Galliot Capital may have a conflict of interest between favoring their own interests (e.g., tax benefits, or realization amount) over their clients' interests with regard to advice related to, among other things: (i) the timing and pricing of dispositions of Units or components thereof, (ii) voting decisions, and (iii) participation in "co-sale," "drag along" and "tag-along" opportunities.

Neither our Firm nor a related person recommends, buys or sells for client accounts, securities in which our Firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our Firm may buy or sell securities and other investments that are also

recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our Firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our Firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our Firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling securities that will be bought or sold in client accounts unless done so after the client execution or concurrently as a part of a block trade.

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Item 12: Brokerage Practices

Custodian & Brokers Used

Generally, Galliot Capital does not maintain physical custody of client assets, although our Firm may be deemed to have custody of client assets if given the authority to withdraw assets from client accounts or due to our affiliated entities role as general partner of the private investment vehicles. See *Item 15 Custody*, below. Generally, client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Our Firm is independently owned and operated, and not affiliated with any broker-dealer or bank. The client's custodian will hold client assets in a brokerage account and buy and sell securities when instructed. Clients will decide which custodian they wish to hold their account and will open an account with the custodian by entering into an account agreement directly with them. Our Firm does not open the account. Even though the account is maintained at your custodian, our Firm can still use other brokers to execute trades, as described in the next paragraph.

How Brokers Are Selected

In some cases, Galliot Capital will recommend a broker who will execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- combination of transaction execution services
- capability to execute, clear and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- prior service to our Firm and our other clients

Soft Dollars

Our Firm does not currently use commission dollars to pay for any brokerage or research services. If in the future our Firm determines that the use of paid research would be beneficial for its Clients, we will only use soft dollars to obtain products and services that fall within the safe harbor provided by Section 28(e) of the Exchange Act. The safe harbor research products and services obtained by our Firm will generally be used to service all of our clients but not necessarily all at any one particular time.

Directed Brokerage

While Galliot Capital may recommend certain custodians/broker-dealers, neither our Firm nor any of our Firm's representatives have discretionary authority in making the determination of the brokers-dealers and/or custodians with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Our Firm may recommend that clients direct us to execute through a specified broker-dealer. . Each client will be required to establish their account(s) with a recommended custodian or a custodian of their own choosing if not already done.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our Firm will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Client-Directed Brokerage

If clients direct brokerage outside our recommendation our Firm may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, clients may pay higher brokerage commissions because our Firm may not be able to aggregate orders to reduce transaction costs, or clients may receive less favorable prices.

Aggregation of Purchase or Sale

Our Firm provides investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our Firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when our Firm believes that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, our Firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13: Review of Accounts

Our management personnel or financial advisors' reviews accounts on at least an annual basis for our

Asset Management and Comprehensive Portfolio Management clients. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Our Firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when our Asset Management and Comprehensive Portfolio Management clients are contacted.

Our Firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. Retirement Plan and Institutional Consulting clients receive reviews of their retirement plans for the duration of the service. Our Firm also provides ongoing services where clients are met with upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our Firm for ongoing services.

Item 14: Client Referrals and Other Compensation

Referral Fees

Our Firm does not receive economic benefits from a third party (non-client) for providing investment advice and other advisory services.

Item 15: Custody

Deduction of Advisory Fees

All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

Private Investment Vehicles

We are under common ownership with the Managing Member and or General Partner of the affiliated Private Investment Vehicles we manage. These vehicles are organized in Cayman Islands and Delaware, as discussed above. As a result of these relationships, our Firm and/or our associated persons will have access to invested funds and securities, and as such we are deemed to have custody over GCAP Funds' assets. Galliot Capital is in the process of engaging an independent public accountant to conduct financial audits of the GCAP Funds and will provide each investor in the GCAP Funds with audited financial statements of the funds since inception and then annually going forward.

Item 16: Investment Discretion

Clients have the option of providing our Firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our Firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Should clients grant our Firm non-discretionary authority, our Firm would be required to obtain the client's permission prior to effecting securities transactions. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our Firm's written acknowledgment.

Item 17: Voting Client Securities

Our Firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent

to our Firm, our Firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Item 18: Financial Information

Our Firm is not required to provide financial information in this Brochure because:

- Our Firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our Firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Our Firm has never been the subject of a bankruptcy proceeding.