

**FORM ADV PART 2A: FIRM BROCHURE**

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**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF GAMUT CAPITAL MANAGEMENT, L.P. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (212) 309-2600. 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 GAMUT CAPITAL MANAGEMENT, L.P. ALSO IS AVAILABLE ON THE SEC'S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

**REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.**

## **MATERIAL CHANGES**

This Brochure contains non-material updates to the descriptions of the business practices and compliance policies and procedures of Gamut Capital Management, L.P. (“Gamut”). There have been no material changes to this Brochure since the annual updating amendment was filed in March 2023.

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## **ADVISORY BUSINESS**

Gamut is a New York-based contrarian and value-oriented investor focused on complex situations in the middle market. Jordan Zaken and Stan Parker (the “Founders”) formed Gamut in May 2015 and are the principal owners of the firm.

Gamut provides advisory services to private investment fund structures (collectively, the “Funds”), which seek to make investments in complex situations across capital structures and in a range of industries including: agriculture, chemicals, consumer, distribution, energy, financial services, industrials, mining, power, technology, media, telecom and transportation. Gamut has formed the entities comprising the Funds as Cayman Islands exempted limited partnerships, of which affiliates of Gamut are the general partners (the “General Partner”). Gamut has discretionary investment authority over the assets of the Funds. As further described in the Funds’ offering documents, the Funds may be structured to include one or more parallel vehicles and other investment holding structures where deemed appropriate by Gamut and/or the General Partner to facilitate the investment objectives of any such Fund and its investors. In addition, Gamut currently provides advice to “co-investment vehicles” that are structured to facilitate investments by third-party co-investors who invest in private securities transactions alongside the Funds (“Co-Investment Vehicles”).

Because Gamut’s advisory business is currently limited to providing advice to the Funds in accordance with the governing documents of the Funds (and, in some cases, to Co-Investment Vehicles), Gamut does not tailor its advisory services to the individual needs of investors in the Funds, nor can investors impose restrictions on investing in certain securities or types of securities.

As of December 31, 2023, Gamut had regulatory assets under management of approximately \$3.58 billion. Once called, the client assets will be managed on a discretionary basis.

## **FEES AND COMPENSATION**

The Funds pay Gamut a quarterly management fee and allocate to the General Partner a performance-based carried interest of an agreed upon amount, each of which are described in greater detail in the Funds’ offering documents. The amount of such compensation was agreed upon by the Funds, Gamut and the General Partner, and is set out in the investment management agreement between the Funds and Gamut (in the case of Gamut’s management fee) and in the Funds’ governing documents (in the case of the General Partner’s carried interest).

For management of the Funds, Gamut generally is entitled to receive a quarterly management fee, payable in advance and equal to two percent (2%) per annum of the aggregate commitments of each Fund’s investors, until the earlier of (i) the end of six years from such Fund’s effective date or (ii) the time when another pooled investment vehicle with investment objectives substantially equivalent to those of such Funds managed by Gamut or an affiliate thereof begins to accrue management fees. Thereafter, Gamut

generally is entitled to receive a quarterly management fee, payable in advance, equal to two percent (2%) per annum of the aggregate capital contributions of such Fund's investors (except in the case of any write downs) in respect of all unrealized investments, including in respect of certain capitalized expenses related thereto. Gamut is entitled to receive interest on management fees, and, in certain instances, interest on operating and organizational expenses, from investors admitted to the Funds after its initial closing date through the final closing. Gamut can waive, modify or reduce the management fee with respect to any investor in the Funds, including Gamut's affiliates or employees.

To the extent Gamut or any of its affiliates earns any other fees from portfolio companies, excluding the pro-rata transaction, consulting or monitoring fees allocable to the investment by co-investors, such fees will generally be applied to reduce the subsequent installments of the management fee, subject to reimbursement first of Gamut or its affiliates for any balance of unreimbursed Funds expenses paid by Gamut or its affiliates.

Management fees are paid by capital contributions from investors to the Funds pursuant to draw down notices delivered by the General Partner out of the total amount of capital an investor agrees to contribute to the Funds (*i.e.*, an investor's "capital commitment") or are paid out of cash that is otherwise distributable to the investors in the Funds, including cash held by the Funds after the disposition of a portfolio investment and before the proceeds are distributed to investors (*i.e.*, deducted from the assets of the Funds). Management fees may also be paid out of cash reserves of the Funds. Depending on the circumstances, the General Partner and Gamut may be afforded substantial discretion in determining whether or not and when the value of a particular investment should be permanently written down. As a result, the General Partner and Gamut have an incentive to (i) make more speculative investments prior to the end of a Fund's investment period and/or any management fee payment date, (ii) hold investments, or retain and not distribute proceeds longer, and (iii) postpone the decision to dispose of, write off or permanently write down the value of an investment, in each case than it otherwise would have, if the management fee were solely based on aggregate commitments in order to receive performance-based compensation earlier and higher management fees or to help with fundraising. Gamut and its personnel's commitments to a fund should tend to reduce these incentives.

In addition, the General Partner and Gamut are afforded discretion to determine the timing and nature of certain transactions and characterize the proceeds received in respect thereof, and will at times have a conflict of interest in making such determinations. The General Partner may have an incentive to make these allocations in a way that benefits the General Partner's ability to receive, or that increases the amount of, carried interest. In addition, at certain times and in certain circumstances involving transactions that do not entail the disposition of shares or other securities relating to a portfolio investment (including a sale, amortization, principal payment, refinancing, recapitalization, redemption, repayment, exchange, extraordinary distribution or other similar transaction with respect thereto), the General Partner may, in good faith, determine the portion of the proceeds of such transactions that would be treated as a return of capital (and potentially receive carried interest on the remainder of such amounts). For purposes of the management fee, all or a portion of an investment will be deemed disposed of as a result of a write-down and the

management fee will thereafter be based on the fair value of such investment; provided that the fair value shall not exceed the capital contributions made in respect of such investment.

Any such determination will be made by the General Partner, in its discretion, and will be subjective. When the Funds own multiple or different securities in the same portfolio company (characterized as separate “portfolio investments”), the General Partner will, in its discretion, determine whether such separate portfolio investments should be aggregated or disaggregated for purposes of calculating the adjusted cost of such investment and/or to what extent a given investment (or series of investments) has suffered a permanent impairment in value for purposes of the Funds’ distribution waterfalls. For example, if one portfolio investment is in the equity of a portfolio company and another is in the debt of such portfolio company, even if the equity investment could be viewed, on a standalone basis, to have suffered a permanent impairment in value, if the debt investment, taken together with the equity investment, has not in the aggregate suffered a permanent impairment in value, then the General Partner does not anticipate that either portfolio investment will be deemed to have suffered a permanent impairment in value, but rather the equity and debt portfolio investments will be aggregated for the purposes stated above. The application of this methodology could ultimately accrue to the benefit, or conversely, to the detriment, of the Funds with respect to the calculation of the management fee and the application of the distribution waterfall to the General Partner’s entitlement to carried interest distributions.

The General Partner is also entitled to performance-based compensation from the Funds, as described in “*Performance Based Fees and Side-by-Side Management*” below.

**Investors and prospective investors should carefully review the offering documents of the Funds for further information about the fees charged to investors. Such documents are available only to current investors or prospective investors who are eligible to invest in such entities, as determined in the sole discretion of Gamut.**

*Compensation and Expenses in respect of Co-Investors.* Under certain circumstances, Gamut and/or the General Partner may (or may not) in its discretion: (i) receive performance-based compensation, management fees or other similar fees from co-investors, and Gamut and/or the General Partner may make an investment, or otherwise participate, in any Co-Investment Vehicle, among other things, receipt of such performance-based compensation, management fees or other similar fees; and (ii) collect customary fees in connection with actual or contemplated portfolio investments that are the subject of such co-investment arrangements. See “*Types of Clients – Co-Investments*,” below. Co-investors will typically bear their pro rata share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments and may be required to pay their pro rata share of fees, costs and expenses related to their potential co-investments that are not consummated, such as breakup fees or broken deal expenses. However, co-investors may not agree to pay or otherwise bear fees, costs or expenses related to unconsummated co-investments. In the event co-investors refuse to bear such fees, costs or expenses, such fees, costs and expenses will be considered operating expenses of and be borne by the Funds.

In the event that co-investors participate in a co-investment through one or more Co-Investment Vehicles, they will generally also bear their pro rata share of the aggregate organizational costs and expenses of all such vehicles. In addition, organizational expenses incurred in connection with structuring a particular portfolio investment (including organizational expenses related to establishing a Co-Investment Vehicle) may be borne by such portfolio investment, and therefore, indirectly by the investors in such portfolio investment, including, without limitation, the applicable Fund and such Co-Investment Vehicle. In those circumstances where such co-investors include one or more members of a portfolio company's management group, such co-investors may receive compensation arrangements relating to the investment, including incentive compensation arrangements.

Finally, some of the co-investors with whom the Funds may co-invest have pre-existing investments with Gamut, and the terms of such pre-existing investments may differ from the terms upon which such persons may invest with the Funds. It is possible that a co-investor may experience financial, legal or regulatory difficulties, may at any time have economic or business interests or goals that are inconsistent with those of the Funds, may take a different view from Gamut as to the appropriate strategy for an investment, or may be in a position to take action contrary to the Funds' investment objectives.

*Transaction Fees and Compensation.* In connection with the investments made by the Funds and the co-investors, various transaction fees can be paid, and in the past have been paid, to Gamut or one or more of its affiliates by portfolio companies or other third parties. Such fees include consulting or monitoring fees (including any such fees accelerated or received as a termination fee in connection the sale, recapitalization, disposition, public offering or change of control of a portfolio investment, to the extent permitted by applicable law and the Fund's governing documents), investment banking fees, breakup fees, directors' fees, closing fees, transaction fees and similar fees. The receipt of fees and other compensation by Gamut and its affiliates in connection with investments made by Gamut's clients creates a potential conflict of interest, as it could be seen as providing an incentive for Gamut to cause its clients to make investments they would not otherwise make, or for structuring investments for the purpose of helping Gamut and/or its affiliates obtain fee compensation at the expense of the deal terms accorded to Gamut's clients. To mitigate this potential conflict of interest, Gamut and its affiliates will apply any such fees or other compensation that they receive to offset, first, any broken deal expenses and, second, any management fees payable by the Funds to Gamut, as further described in the Funds' offering documents. In instances where a client or investor does not pay management fees, as is often the case with co-investors, Gamut retains the portion of the transaction, consulting, monitoring or similar fees allocable to such client or investor.

*Other Fees and Expenses.* The Funds will incur other expenses in connection with Gamut's advisory services. The Funds will bear legal, organizational and offering expenses in connection with its formation and initial offering, which will be borne indirectly by its investors.

The Funds will also bear ongoing expenses which include the following: (i) fees, costs and expenses related to, associated with, arising from or incurred in connection with (A) the sourcing, evaluations investigation, development, acquisition consummation, structuring,

ownership, maintenance, monitoring, hedging, portfolio risk management, valuation or disposition of portfolio investments (including brokerage commissions, clearing and settlement charges, private placement fees, syndication fees, solicitation fees, arranger fees, sales commissions, pricing and valuation fees (including appraisal fees), underwriting commissions and discounts, investment banking fees, advisory fees, bank charges, other investment costs, and other closing, execution and transaction costs, custodial, trustee, transfer agent, recordkeeping, clearing, settlement and bank charges, deposits (including earnest money deposits), consent or other third-party fees or payments, closing, execution and transaction costs, travel and related expenses, other fees, costs and expenses in respect of derivative contracts (including any payments under, and any margin expenses relating to, such derivative contracts or any posting of margin or collateral with respect to such derivative contracts), and other administrative fees, costs and expenses (which, for the avoidance of doubt, may include, without limitation, reimbursement of such fees and expenses to affiliates of the General Partner to the extent that fees, costs and expenses payable to such affiliates are consistent with amounts customarily charged by third parties for services similar to those actually performed)), (B) any indebtedness, credit facility, guarantee, line of credit, loan commitment, letter of credit, equity commitment letter, hedging guarantee or similar credit support or other indebtedness involving the Funds or any investment (including any fees, costs and expenses incurred in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowings and indebtedness and interest arising out of such borrowings and indebtedness and in respect of customary key principal, “bad acts” or other performance-related matters) or one or more other similar financing transactions involving any portfolio investment, (C) the evaluation of potential portfolio investments (irrespective of whether any such investment is ultimately consummated), and (D) attending conferences in connection with the evaluation of future portfolio investments or business sector opportunities (including the evaluation of potential portfolio investments, irrespective of whether any such portfolio investment is ultimately consummated), (ii) any travel-related expenses related to or arising from the sourcing, evaluation, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging or disposition of portfolio investments, including potential portfolio investments, (iii) taxes and other governmental charges incurred or payable by the Funds and/or Fund vehicles (including entity-level taxes imposed on, with respect to, or otherwise borne by the Funds or any Fund vehicle (including under the BBA Rules), (iv) fees, costs and expenses of actuaries, accountants, administrators, advisors, auditors, administrators, brokers (including prime-brokers), counsel, custodians, appraisers, depositaries, valuation experts and other service providers that provide services to or with respect to the Funds, and legal expenses incurred in connection with claims or disputes related to the Funds or one or more actual, unconsummated or proposed portfolio investments, (v) the engagement of professionals (including all costs, incentive compensation and expenses of consultants (including operating consultants and sourcing consultants) and any industry executives, advisors, consultants, operating executives, subject matter experts or other persons acting in a similar capacity who provide consulting and other similar services to the Funds or in respect of the Funds or their operating entities, or other subsidiaries or related portfolio companies (including with respect to potential portfolio investments) related to, among other things, (A) conducting due diligence or analysis on industry, geopolitical or other operational



issues, and (B) operational improvement initiatives relating to such subsidiaries or the related portfolio companies, and developing and implementing such initiatives; (vi) all fees, costs and expenses obtaining research and other information for the benefit of the Funds, including information service subscriptions as well as expenses incurred to operate and maintain market information systems and information technology systems and information technology systems used to obtain such research and other information (such as telephone and internet charges), (vii) fees, costs and expenses incurred in developing, implementing or maintaining computer software for the benefit of the Funds, its investors or portfolio investments (including potential portfolio investments) of the Funds, (viii) fees, costs and expenses associated with maintaining the Funds and any of its subsidiary entities, including fees, costs and expenses incurred in the organization, operation and restructuring of such subsidiary entities, (ix) premiums and fees for insurance allocated to the Funds (including, but not limited to, costs, liabilities and expenses of any litigation, investigation, judgments or settlements paid in connection therewith) allocated in good faith to the Funds by the General Partner (including Gamut's group insurance policy, general partner's, directors' and officers' liability or other similar insurance policies, errors and omissions insurance, financial institution bond insurance and any other insurance for coverage of liabilities to any person or entity that are incurred in connection with the activities of the Funds), (x) fees, costs and expenses incurred in connection with any governmental inquiry, investigation or proceeding or any litigation involving or otherwise applicable to the Funds, the General Partner, Gamut or any of their respective affiliates in connection with the activities of the Funds or any investment, any subsidiaries, or any portfolio companies or any potential portfolio companies, subsidiaries or portfolio company (including fees, costs and expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of any such inquiry, investigation, proceeding or litigation and the amount of any judgments, settlements or fines paid in connection therewith) and other extraordinary expenses (related to the Funds, any investment, subsidiary, portfolio company or any potential investment, subsidiary or portfolio company (including fees, costs and expenses that are classified as extraordinary expenses under U.S. generally accepted accounting principles), (xi) fees, costs and expenses incurred in connection with the preparation of all reports to the Funds' investors or the Funds' advisory board (including all fees, costs and expenses incurred to audit such reports, provide access to a database or other internet forum and for any other operational, legal, secretarial or postage expenses relating thereto or arising in connection with the distribution of same), and any other financial, tax, accounting or fund administration reporting functions (including costs and expenses associated with the preparation of financial statements, tax returns and Internal Revenue Service Schedules "K-1" or any successors thereto and the partnership representative's representation of the Funds or its investors), (xii) fees, costs and expenses of the Funds' advisory board thereof (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expenses in connection with any meetings), legal counsel, accountants, auditors, financial advisors or any other advisors or experts retained to assist the General Partner and other expenses incurred in connection with the activities of the Funds' advisory board, (xiii) fees, costs and expenses of holding any meetings of the General Partner or Gamut with any of its investors (including travel and related expenses and other accommodation, meal, event, entertainment and other similar fees, costs and expenses in connection with such meetings),

(xiv) the Funds' indemnification obligations (including any fees, costs and expenses incurred in connection with indemnifying Indemnified Persons (as defined below) and advancing fees, costs and expenses incurred by any such Indemnified Persons in defense or settlement of any claim that may be subject to a right of indemnification under the applicable agreements of the Funds), (xv) fees, costs and expenses (including legal fees and expenses) incurred to comply with any applicable law, rule or regulation (including legal fees, costs and expenses) regulatory filing or other expenses of the Funds, the General Partner or Gamut, including Form PF filings or any compliance, filings or other obligations related to or arising out of AIFMD or the European Markets Infrastructure Regulation (Regulation (EU) No 648/2012), as amended from time to time, in each case, involving or otherwise related to the Funds or incurred in connection with any audit, examination, governmental inquiry, investigation or proceeding (including by any taxing authority) involving the Funds, including the amount of any judgments, settlements or fines paid in connection therewith, (xvi) fees, costs and expenses related to a default by a defaulting investor (but only to the extent not paid by the defaulting investor), (xvii) fees, costs and expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of the Funds, the General Partner or Gamut, (xviii) fees, costs and expenses incurred in connection with distributions to the Partners, (xix) interest on, and fees, costs and expenses arising out of, the Funds' borrowings and indebtedness (including the fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of the Funds), securing the same by mortgage, pledge or other lien on any assets of the Funds or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of or the financing of a portfolio company or its acquisitions, (xx) fees, costs and expenses incurred in connection with administering and operating the Funds, preparing and maintaining the books and records of the Funds, including internal costs that Gamut may incur to produce the Funds' books and records, external costs in cases where Gamut hires a third-party administrator to maintain the Funds' books and records and any costs of Gamut to oversee and manage such third-party administrator and fees, costs and expenses incurred in the organization of special purpose vehicles, subsidiaries of the Funds or alternative investment vehicles including costs associated with establishing and maintaining a permanent residence in certain jurisdictions (such as rent for office space, related overhead and employee salaries and benefits, including meals and transportation) (which fees, costs and expenses may, in the sole discretion of the General Partner, be allocated solely to or paid solely by the Funds' investors participating therein) (xxi) fees, costs and expenses incurred in connection with the dissolution, winding up and termination of the Funds, (xxii) expenses incurred in connection with co-investments (whether or not consummated) including any portion of such expenses that are not borne by co-investors, (xxiii) fees, costs and expenses of holding any meetings of investors of the Funds (including accommodation, meal, event, entertainment and other similar fees, costs and expenses), (xxiv) costs and expenses incurred in connection with compliance with AEOI (as defined below), (xxv) all similar expenses in connection with certain feeder funds and subsidiary entities including those incurred in the organization, operation, maintenance, restructuring (including by way of a secondary transaction, strip sale, or similar transaction to one or more third parties), (xxvi), to the extent agreed by the General Partner in its sole discretion, all similar operating expenses of an investor that is a vehicle sponsored or managed by a placement agent or

any of its affiliates and which placement agent or affiliate thereof is entitled to receive placement fees in connection with or as a result of placing investors indirectly into the Funds through such investor, and (xxvii) an allocable portion of the fees, costs and expenses incurred in connection with organizing, maintaining, administering and operating any Fund entity that registers under AIFMD or any entity that serves as the alternative investment fund manager or general partner thereof or in a similar capacity (including rent, salaries and ancillary costs of such entities, and costs and expenses of service providers of such entities).

Generally, the Funds will also bear third-party expenses incurred in connection with a proposed investment that is not ultimately made or a proposed disposition that is not actually consummated, including legal, tax, accounting, advisory and consulting expenses and any liquidated damages, reverse termination fees or similar payments.

The Funds will also bear placement agent fees incurred in connection with the commissions, costs, fees and expenses of placement agents and finders engaged for the offering and sale of interests in the Funds. Gamut will reduce the management fees payable by investors by their share of the amount of placement fees paid by the Funds.

#### **PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The General Partner, which is an affiliate of Gamut, also receives performance-based compensation from the Funds as follows: The General Partner will be entitled to receive “carried interest” distributions from each Fund upon distribution of the proceeds from such Fund’s realized investments, as described in greater detail in such Fund’s offering documents. Generally, the distributions due to the General Partner (if any) are determined after the investors in such Funds have received distributions in an amount generally equal to a return of capital and allocable expenses attributable to all realized investments and any investments written down as of that time, plus a preferred return (compounded annually) equal to an eight percent (8%) internal rate of return on the relevant capital contributions. With respect to any remaining amounts to be distributed after these amounts have been distributed to the investors in such Funds, the General Partner will be entitled to receive (i) first, a “catch-up” distribution with respect to the preferred return paid to the investors (as described above), such that the General Partner receives an amount equal to twenty percent (20%) of the profit, and (ii) thereafter, twenty percent (20%) of any distributable amounts (with the balance being distributed to the investors).

The carried interest with respect to the Funds will be subject to a “clawback” at certain interim dates and upon termination of the Funds to the extent amounts previously distributed to the General Partner exceeds the aggregate amount due to the General Partner as described above. Similarly, the General Partner can require investors to return certain distributions for the purpose of satisfying any Fund’s obligations or liabilities under certain circumstances.

*Conflicts of Interest Related to Performance-Based Compensation.* A significant percentage of appreciation that would otherwise be allocated to the investors in the Funds is paid to the General Partner. The existence of a carried interest with respect to the Funds

also creates an incentive for Gamut to make riskier or more speculative investments on behalf of the Funds than it might otherwise make in the absence of such performance-based compensation. In addition, the terms of the carried interest in favor of the General Partner could incentivize Gamut, as an affiliate of the General Partner, to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors. For example, under the Fund's distribution "waterfall", carried interest distributions become payable earlier if profitable investments are liquidated before unprofitable investments because the waterfall does not permit any distributions of carried interest until after the cumulative amount of distributions has covered any prior losses associated with unprofitable investments. As another example, drawdowns of loans under a subscription line credit facility may allow for infrequent or delayed capital calls, which could result in a higher internal rate of return ("IRR") for the Funds, which could in turn result in an acceleration of carried interest distributions being made to the General Partner. Further, during the "catch-up" period, the General Partner is heavily incentivized to bring realizations forward and lock in returns (and stop the accrual of the priority return), even though the investors might achieve a better overall return if the Funds retained the investment for a longer period of time. Additionally, since in no event will the General Partner be required to restore an amount greater than the cumulative distributions received by the General Partner, its subsidiaries, and its partners with respect to the carried interest, net of tax liabilities attributable to Funds income allocated to the General Partner calculated at an assumed income tax rate, as set forth in the applicable agreements of the Funds, investors may not ultimately receive their full share of profits that they would have otherwise received had there been no excess distribution to the general partner or similar person throughout the term of each Fund. The incentive is further exacerbated by the General Partner's clawback obligation. While there is a finite commitment period during which new investment may be consummated, there is more flexibility regarding when investments must be realized.

In addition, certain co-investors do not currently pay performance-based compensation in relation to certain existing investments, but Gamut may require co-investors to pay such performance-based compensation in relation to subsequent investments. This gives rise to a potential conflict of interest, as Gamut can have an incentive to favor the Funds (which pays performance-based compensation) over such co-investors by, for example, seeking to allocate more profitable opportunities to the Funds. However, Gamut believes that this risk is mitigated by the limited nature of its advisory relationship with the co-investors and Gamut's allocation policies. *See "Types of Clients" below.*

Furthermore, under recently enacted amendments to the U.S. federal tax code, for U.S. federal income tax purposes, capital gain in respect of the General Partner's carried interest distributions will be treated as short-term capital gain unless the Funds holds the relevant investment for more than three years, as opposed to the general rule that capital gain from the disposition of investments held for more than one-year is treated as long-term capital gain. Furthermore, without limitation, the General Partner could, at any time, elect not to receive all or any portion of any distribution of carried interest to which it is entitled and instead to distribute such amount to the investors pro rata, as an accelerated payment of the preferred return. In such case, the General Partner could thereafter elect to have any amounts (or, at the General Partner's sole discretion, a specified portion of such amounts)

otherwise distributable to the investors in any future distributions distributed instead to the General Partner as carried interest until the General Partner has received the same amount of distributions as it would have received had it not made such election. As a consequence, conflicts of interest may arise in connection with the General Partner's investment and related decisions, including regarding the identification, making, management, disposition and, in each case, timing of the Partnership's investments. In exercising its discretion over investment and related decisions, the General Partner is permitted under the applicable agreements of the Funds to consider such interests and factors as it desires, including its own interests and the interests of its affiliates and other clients. As such, there can be no assurance that any such conflict will be resolved in favor of any investors, or in a manner that does not adversely affect the Funds as a whole.

Additionally, the percentage of profits Gamut is entitled to receive and the terms applicable to such carried interest distributions vary among Gamut's clients. Because the opportunity to receive an amount of carried interest distributions is based on the success of investments, to the extent carried interest percentages or terms applicable to carried interest distributions differ among Gamut's clients in the future, Gamut will be incentivized to dedicate increased resources and allocate more profitable investment opportunities to clients bearing higher carried interest percentages or to clients whose governing documents contain less restrictive terms regarding carried interest distributions (such as higher "catch-up" rates). In addition, Gamut will be incentivized to allocate investment opportunities away from its clients that have suffered losses and have not yet achieved a priority return threshold and, instead, allocate them to clients that are more likely to generate carried interest distributions. In addition, the portion of any special fees payable in connection with any portfolio investment that are allocable to investments by Co-Investors will not reduce management fees paid by the Funds and will be retained by, and be for the benefit of, the General Partner, Gamut or any of their respective affiliates or employees. Therefore, the General Partner will be perceived to be incentivized to allocate a greater portion of such portfolio investment to Co-Investors than it would have otherwise allocated to Co-Investors in the absence of such arrangements. Gamut has adopted written allocation policies and procedures to help address conflicts arising in the allocation of resources and investment opportunities among Gamut's clients.

Similarly, the management fees, or higher management fees, will be perceived to incentivize Gamut to dedicate increased resources and allocate more profitable or more attractive investment opportunities to clients who are charged such management fees or higher management fees.

The right to receive carried interest distributions also creates a potential conflict of interest in the valuation of investments. For example, because distributions to investors of the Funds are calculated through a "deal-by-deal" distribution waterfall, the General Partner will not receive carried interest until investors receive distributions equal to their share of any write downs that were not taken into account from prior distributions. This will create an incentive for the General Partner to minimize losses from write downs (which may not be determined in accordance with GAAP) that must be returned before carried interest distributions can be made. In addition, in the case where distributions in kind are made to investors, the General Partner will be incentivized to employ valuation methodologies that

may give rise to a higher valuation of such assets. Gamut has adopted written valuation policies and procedures in respect of the valuation of the Fund's assets.

## **TYPES OF CLIENTS**

Gamut provides investment advice exclusively to the Funds (and certain Co-Investment Vehicles). Gamut and its affiliates have entered into separate agreements, commonly referred to as "side letters," with certain investors, which have the effect of establishing rights under, altering, or supplementing the terms (including the economic terms) of the governing documents of the Funds, in a manner more favorable to such investor than those applicable to other investors in the Funds. Such rights or terms pursuant to such agreements may include, without limitation, access to additional information, more favorable liquidity terms and rights to co-investment opportunities, or other rights or terms deemed necessary in light of particular legal, regulatory or tax characteristics of an investor.

Interests in the Funds are offered privately to a limited number of sophisticated investors, including institutional investors (for example, public and private pension funds, governmental plans, insurance companies, banks, and fund of private equity funds, etc.) and individuals who qualify to invest in the Funds because they have a sufficiently high income or net worth (for example, individuals with at least \$5 million in investment assets). Gamut generally imposes a minimum capital commitment of \$5 million in connection with investing in the Funds, although such minimum may be waived in the discretion of Gamut.

Gamut offers, in its discretion, opportunities to co-invest alongside the Funds to co-investors when a particular investment opportunity exceeds the aggregate allocation to the Funds in excess of the range described in "*Methods of Analysis, Investment Strategies and Risk of Loss*" below, or for other strategic considerations. Co-investors can include (i) co-investment vehicles, (ii) limited partnerships, other pooled investment vehicles or managed accounts that are affiliates of Gamut or which are managed by Gamut or an affiliate, (iii) any of the Funds' investors or any of their affiliates, (iv) portfolio company management team members, operating partners, consultants or advisors or (v) any other person deemed appropriate by Gamut. It is anticipated that such co-investors will also primarily consist of sophisticated investors of the type described above.

Gamut will be under no obligation to provide co-investment opportunities and could offer a co-investment opportunity to one or more of the categories of co-investors described above without offering such opportunity to the other categories and will take into account such factors as it determines in its sole discretion in allocating any such co-investment opportunities, including its own interests. Co-investments will generally be made, at the investment level, on economic terms substantially no more favorable to co-investors than those on which the Funds invests and any such co-investment generally will be sold or otherwise disposed of at substantially the same time (and in the case of a partial disposition, in substantially the same proportion) as the Funds' disposition of its interest in such investment and on economic terms at the investment level substantially no more favorable to such co-investors than to the Funds.

Gamut could in the future provide investment advice to other funds or accounts that follow an investment strategy either similar to or different than, the Funds.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Gamut's investment program focuses on making investments in: (i) control or influential minority equity and equity-equivalent positions and (ii) debt or other securities providing equity-like returns. The Funds will focus on opportunities typically requiring a \$75 million to \$200 million equity investment (with the ability to selectively scale up with co-investor support) using a wide variety of investment types and transaction structures. The Funds will review opportunities across a range of industries, including Automotive, Aerospace & Defense, Building Products, Business Services, Chemicals, Consumer/Retail, Distribution, Energy, Healthcare, Industrials, Industrial Services, Metals, Mining, Paper/Packaging, TMT and Transportation/Logistics.

Gamut's strategy begins with an assessment of the market environment to determine the current stage of the economic cycle and availability of liquidity. Within this context, Gamut pursues four entry strategies to create equity-like returns with mitigated risk and protected downside: leveraged buyouts, corporate carve-outs, corporate partnerships (strategic minority investments with negative controls and corporate governance rights), and distressed-for-control transactions. Gamut seeks to tailor its entry strategies to each stage of the economic cycle. For example, during expansionary periods when liquidity is typically high, Gamut focuses primarily on corporate partnerships and corporate carve-out opportunities. During recessionary periods, when businesses typically have limited access to capital, Gamut focuses largely on distressed-for-control opportunities (which do not require access to debt capital) as well as corporate carve-outs (which potentially bring embedded financing from the seller). During recovery periods, in which access to capital is typically moderate, Gamut focuses on leveraged buy-outs, corporate carve-outs and late-cycle distressed-for-control opportunities.

Upon acquiring a new investment, Gamut pursues post-acquisition "buy-down" strategies to seek to de-risk and further enhance the value of its investments. Such strategies include: implementing efficient cost structures, increasing capital efficiency, coaching and/or sourcing best-in-class management, managing capital expenditures, building platforms for acquisitive growth, and playing offense with existing capital structures.

**Investors and prospective investors should carefully review the offering documents of the Funds for further discussion of its investment objective and strategy. Such documents are available only to current investors or prospective investors who are eligible to invest in such entities, as determined in the sole discretion of Gamut.**

### *Certain Risk Factors.*

The identification and management of attractive investment opportunities is difficult and involves a significant degree of uncertainty. Potential investors should consider the

following risks before investing in any fund or other investment vehicle managed by Gamut.

*Competition for Investment Opportunities.* There is currently, and will likely continue to be, competition for investment opportunities by investment vehicles with investment objectives and strategies identical or similar to Gamut's investment objectives and strategies, as well as by business development companies, strategic investors, hedge funds and others. Some of these competitors may have more relevant experience, greater financial, technical, marketing and other resources, more personnel, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to Gamut and a greater ability to achieve synergistic cost savings in respect of an investment than Gamut. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to Gamut and adversely affecting the terms, including pricing, upon which portfolio investments can be made. Such competition may be particularly acute with respect to participation by Gamut in auction proceedings through which many companies are sold. To the extent that Gamut encounters competition for investments, returns to Limited Partners may decrease.

A significant number of new private equity funds were formed over the last several years while many hedge funds increasingly seek private equity investments, resulting in an unprecedented amount of capital available for private equity investment. Because of the depletion in debt financing and a drop in the supply of available transactions brought on by the global financial crisis, many such funds were and, in some cases, continue to be limited in their ability to deploy capital. In some instances, such firms have also sought extensions of their private equity funds' investment periods. As many of these funds now encounter pending deadlines by which they must deploy the remaining "dry powder" or release their fund investors from making future contributions for new investments, it is possible that the competition for investments may increase.

Based on the foregoing, there can be no assurance that Gamut will be able to identify or consummate investments that satisfy Gamut's rate of return objectives or realize upon their values or that Gamut will be able to invest fully its committed capital. The success of the Funds will depend on Gamut's ability to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio investments.

*Risks Associated with the Investment Strategy.* Gamut's strategy involves investing across a variety of assets and geographies. Accordingly, Gamut will be required to maintain expertise, relationships and market knowledge across a range of asset and investment types and geographic regions and will be subject to the market conditions affecting each such investment in various markets, including such factors as the local legal and regulatory environment, economic climate, business layoffs, industry slowdowns, changing demographics and supply and demand issues affecting each such market. This multi-market approach could require more management time, staff support and expense than



would be experienced with a company whose focus is dedicated to a greater extent on fewer investment types or regions than is contemplated by Gamut.

*Investments in Less Established Companies.* Gamut may invest in less established companies or early-stage companies. Investments in such early-stage companies may involve greater risks than those generally associated with investments in more established companies. For example, less established companies tend to have smaller capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Early-stage companies often experience unexpected issues in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately resolved. A major risk also exists that a proposed service or product cannot be developed successfully with the resources available to such an early-stage company. There is no assurance that the development efforts of any such early-stage company will be successful or, if successful, will be completed within budget or the time period originally estimated. Substantial amounts of financing may be necessary to complete such development and there is no assurance that such funds will be available from any particular source, including institutional private placements or the public markets. The percentage of early-stage companies that survive and prosper tends to be small. In addition, less mature companies may be more susceptible to irregular accounting or other fraudulent practices. Furthermore, to the extent there is any public market for the securities held by Gamut, securities of less established companies may be subject to more abrupt and erratic market price movements than those of larger, more established companies.

In addition to investing in less established or early-stage companies, Gamut may actively engage in forming new businesses. Unlike investing in an existing company where start up risks are generally shared with third parties who also have vested interests in such company (including the company's founders, existing managers or existing equity holders), in the case where Gamut forms a new business, all such risks are generally borne by investors in the Funds. In addition, newly formed businesses face risks similar to those affecting less established or early-stage companies as described above and may experience unexpected operational, developmental or financial issues that cannot be adequately resolved and there is no assurance that such new business ventures will become successful.

Some of the portfolio investments expected to be made by Gamut should be considered highly speculative and may result in the loss of investor's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the investor's other investments.

*Lack of Liquidity of Investments.* The investments to be made at the direction of Gamut are likely to be illiquid. Any return of capital or realization of gains will generally require a disposition of some or all of an investment. It is uncertain as to whether gains, if any, will be realized. Gamut's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, tax, contractual or other restrictions on their resale. Dispositions of

investments may be subject to regulatory, contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Investments in publicly traded companies (including portfolio companies that have made initial public offerings) may also be subject to legal or contractual restrictions on resale, including the possibility that Gamut will be in possession of material non-public information about the company. In addition, public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or nonexistent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, which are illustrative only and not exhaustive, Gamut will generally not be able to realize on an investment in a privately-held entity until the sale of such entity. In some instances, the sale of investments held by Gamut may require lengthy negotiations. There can be no assurance that Gamut will be able to dispose of its investments at the price and at the time it wishes to do so. Furthermore, such illiquidity may continue even if the underlying entities obtain listings on securities exchanges. The potential exists for investments that cannot be liquidated within the term of the Funds to be distributed in kind to the investors upon the termination of the Funds. The possibility of partial or total loss of capital will exist, and prospective investors should not invest unless they can readily bear the consequences of such loss.

*Reliance on Portfolio Company Management.* The day-to-day operations of a portfolio company will be the responsibility of the portfolio company's management team. Although Gamut will be responsible for monitoring the performance of portfolio companies and generally seeks to invest in entities operated by capable management, there can be no assurance that an existing management team, or any successor, will be able to successfully operate a portfolio company in accordance with Gamut's strategy for such company.

*Non-Controlling Investments.* Gamut may pursue investments that constitute non-controlling interests in portfolio companies. In such instances, Gamut may have a limited ability to protect its position in such portfolio companies. Further, Gamut may have no right to appoint an individual to serve on the board of directors (or comparable governing bodies) of such portfolio companies and, as a result, may have a limited ability to influence the management of such portfolio companies. In such cases, Gamut will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other investors with whom Gamut is not affiliated and whose interests may conflict with the interests of investors in the Funds. There can be no assurance that minority investor rights will be available, or that such rights will provide sufficient protection of the interests of investors in the Funds. Where practicable and appropriate, it is expected that shareholder rights generally will be sought to protect the interests of the Funds. In addition, Gamut may obtain investments in debt instruments or other investments that do not entitle its investors to voting rights and, therefore, Gamut may have a limited ability to protect such investments.

*Contingent Liabilities on Disposition of Investments.* In connection with the disposition of an investment in a portfolio company, Gamut's clients may be required to make representations about the underlying portfolio company typical of those made in connection with the sale of a business or be responsible for the contents of disclosure

documents. Clients may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate or with respect to certain potential liabilities or other obligations. These arrangements may result in the incurrence of accrued expenses, liabilities or contingencies for which Gamut and/or the General Partner may establish reserves or escrow accounts. In that regard, distributions, including final distributions, to Funds investors (and, if applicable, co-investors) will be subject to any such reserves or holdbacks, and investors may be required to return amounts distributed to them to fund indemnity obligations or other obligations arising out of any legal proceeding against the Funds (or Co-Investment Vehicle). Furthermore, each investor that receives a distribution in error or in violation of applicable law will, under certain circumstances, be obligated to re-contribute such distribution to the Funds (or Co-Investment Vehicle).

*Board Participation.* In certain instances, Gamut may designate one or more individuals to serve on the boards (or comparable governing bodies) of portfolio companies. While such representation may enhance Gamut's ability to manage its investments, it may also have the effect of impairing the ability of the Funds to sell the related securities when, and upon the terms, it might otherwise desire, as it may subject the Funds to legal claims it would not otherwise be subject to as an investor (including claims of breach of duty of loyalty, securities claims and other board-related claims).

It is expected that employees of Gamut and its affiliates will serve as directors or management committee members of, or in a similar capacity with respect to, certain entities in which the Funds invest and, as such, in those instances where a Fund is not the sole shareholder of the applicable entity, may have duties to persons other than the Fund. In general, such positions are often important to the Funds' investment strategy and may enhance the ability of Gamut to manage the Funds' investments. However, such positions may have the effect of impairing the ability of the Funds to sell the related investments when, and upon the terms, Gamut may otherwise desire. In addition, such positions may place employees of Gamut in a position where they must make a decision that is either not in the best interests of the Funds or not in the best interests of all of the interest holders of the portfolio company. Should an employee of Gamut make a decision that is not in the best interests of all of the interest holders of a portfolio company, such decision may subject Gamut and the Funds to claims they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify Gamut and other indemnified persons from such claims.

*Expedited Transactions.* Investment analyses and decisions by Gamut will often be undertaken on an expedited basis in order to take advantage of investment opportunities. In such cases, the information available to Gamut at the time of an investment decision may be limited, and Gamut may not have access to the detailed information necessary for a full evaluation of the investment opportunity. The financial information available to Gamut may not be accurate or provided based upon accepted accounting methods. In addition, Gamut may rely upon independent consultants or advisors in connection with the evaluation of proposed investments. There can be no assurance that these consultants or advisors will accurately evaluate such investments.

*Uncertainty of Financial Projections.* Gamut will generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projections are forward-looking statements and are based upon certain assumptions. Projected operating results will normally be based primarily on management judgments (with adjustments to such projections made by Gamut in its sole discretion). In all cases, projections are only estimates of future results that are based upon assumptions that Gamut believes are reasonable at the time that the projections are developed. Projections are subject to a wide range of risks and uncertainties, however, and there can be no assurance that the actual results may not differ materially from those expressed or implied by such projections. Moreover, the inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. General economic conditions, which are not predictable, can also have a material adverse impact on the reliability of such projections.

*Minority Positions and Toehold Investments.* Gamut could also make minority equity or debt investments in companies where Gamut may have limited influence. Such companies may have economic or business interests or goals that are inconsistent with those of Gamut and Gamut may not be in a position to limit or otherwise protect the value of its investment in such companies. Gamut's control over the investment policies of such companies may also be limited. This could result in a Fund's investments being frozen in minority positions that incur a substantial loss. If Gamut takes such a minority position in publicly traded securities as a "toe-hold" investment, then such publicly traded securities may fluctuate in value over the limited duration of a Fund's investment in such publicly traded securities, which could potentially reduce returns to a Fund's investors. Gamut may accumulate minority positions in the outstanding voting stock, or securities convertible into the voting stock, of potential portfolio companies. While Gamut will seek to achieve such accumulation through open market purchases, registered tender offers, negotiated transactions, or private placements, it may be unable to accumulate a sufficiently large position in a target company to execute its strategy. In such circumstances, Gamut may dispose of its position in the target company within a short time of acquiring it and there can be no assurance that the price at which Gamut can sell such stock will not have declined since the time of acquisition. This may be exacerbated by the fact that stock of the companies that Gamut may target may be thinly traded and that Gamut's position may nevertheless have been substantial and its disposal may depress the market price for such stock.

*Control Person Liability.* Gamut expects to obtain controlling interests in a number of its portfolio companies. The fact that Gamut or its Funds exercises control or exerts influence (or merely has the ability to exercise control or exert influence) over a company may give rise to risks of liability (including under various theories of parental liability and piercing the corporate veil doctrines) for, among other things, personal injury and/or property or environmental damage claims arising from an accident or other unforeseen event, product defects, employee benefits (including pension and other fringe benefits), failure to supervise management, violation of laws and governmental regulations (including securities laws, anti-trust laws, employment laws, anti-bribery and other anti-corruption laws) and other types of liability for which the limited liability characteristic of business

ownership and the Funds themselves (and the limited liability structures that may be utilized by the Funds in connection with its ownership of portfolio companies or otherwise) may be ignored or pierced, as if such limited liability characteristics or structures did not exist for purposes of the application of such laws, rules regulations and court decisions. These risks of liability may arise pursuant to U.S. and non-U.S. laws, rules, regulations, court decisions or otherwise (including the laws, rules, regulations and court decisions that apply in jurisdictions in which portfolio companies or their subsidiaries are organized, headquartered or conduct business). Such liabilities may also arise to the extent that any such laws, rules, regulations or court decisions are interpreted or applied in a manner that imposes liability on all persons that stand to economically benefit (directly or indirectly) from ownership of portfolio companies, even if such persons do not exercise control or otherwise exert influence over such portfolio companies (*e.g.*, investors in the Fund). Lawmakers, regulators and plaintiffs have recently made (and may continue to make) claims along the lines of the foregoing, some of which have been successful. If these liabilities were to arise with respect to the Funds or their portfolio companies, the Funds might suffer significant losses and incur significant liabilities and obligations. The having or exercise of control or influence over a portfolio company could expose the assets of the Funds, its investors and Gamut to claims by such portfolio company, its security holders and its creditors and regulatory authorities or other bodies. While Gamut intends to manage the Funds to minimize exposure to these risks, the possibility of successful claims cannot be precluded, nor can there be any assurance to whether such laws, rules, regulations and court decisions will be expanded or otherwise applied in a manner that is adverse to portfolio companies and the Funds and its investors. Moreover, it is possible that, when evaluating a potential investment, Gamut may choose not to pursue or consummate such investment, if any of the foregoing risks may create liabilities or other obligations for any of the Funds or Gamut.

*Investments in Distressed Securities.* A portion of Gamut's investments may also be in obligations or securities that are rated below investment grade by recognized rating services such as Moody's and Standard & Poor's. Securities rated below investment grade and unrated securities generally offer a higher current yield than that available from higher grade issues, but typically involve greater risk. Securities rated below investment grade and unrated securities are typically subject to adverse changes in general economic conditions, changes in the financial condition of their issuers and price fluctuation in response to changes in interest rates. During periods of economic downturn or rising interest rates, issuers of securities rated below investment grade and unrated securities may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. Adverse publicity and investor perceptions, whether or not based on economic analysis, may also decrease the values and liquidity of securities rated below investment grade and unrated securities, especially in a market characterized by a low volume of trading. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance Gamut will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, Gamut may lose some or all of its investment or

may be required to accept illiquid securities with rights that are materially different than the original securities in which Gamut invested. In addition, the secondary market for high yield securities, which is concentrated in relatively few market makers, may not be as liquid as the secondary market for more highly rated securities. As a result, Gamut could find it more difficult to sell these securities or may be able to sell the securities only at prices lower than if such securities were widely traded.

*Environmental Matters.* Ordinary operation or the occurrence of an accident with respect to a portfolio company could cause major environmental damage, which may result in significant financial distress to such portfolio company, even if covered by insurance. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by those persons. Certain environmental laws and regulations may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost and other liabilities. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination and may impose joint and several liability (including amongst Gamut, its Funds, other clients of Gamut and the applicable portfolio company) or liabilities or obligations that purport to extend to (and pierce any corporate veil that would otherwise protect) the ultimate beneficial owners of the owner or operator of the relevant property or operating company that stand to financially benefit from such property's or company's operations. Gamut (and its investors) may therefore be exposed to substantial risk of loss from environmental claims arising in respect of its investments. Furthermore, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of its acquisition and that could not have been foreseen. Community and environmental groups may protest about the development or operation of portfolio company assets, which may induce government action to the detriment of Gamut. New and more stringent environmental or health and safety laws, regulations and permit requirements, or stricter interpretations of current laws, regulations or requirements, could impose substantial additional costs on a portfolio company, or could otherwise place a portfolio company at a competitive disadvantage compared to other companies, and failure to comply with any such requirements could have an adverse effect on a portfolio company. Even in cases where Gamut is indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of Gamut to achieve enforcement of such indemnities. If these liabilities were to arise with respect to Gamut or its portfolio companies, Gamut might suffer significant losses and incur significant liabilities and obligations. The having or exercise of control or influence over a portfolio company could expose the assets of Gamut and its investors to claims by such portfolio company, its security holders and its creditors and regulatory authorities or other bodies. While Gamut intends to manage the Funds to minimize exposure to these risks, the possibility of successful claims cannot be precluded, nor can there be any assurance to whether such laws, rules, regulations and court decisions will be expanded or otherwise applied in a manner that is adverse to portfolio companies, Gamut and its investors. Moreover, it is possible that, when evaluating a potential portfolio investment, Gamut may

choose not to pursue or consummate such portfolio investment, if any of the foregoing risks may create liabilities or other obligations for any of the Funds or Gamut. See also “—*Control Person Liability*” above.

*ESG Considerations.* Gamut could take into account environmental, social and governance (“ESG”) considerations in the discovering, developing, negotiating, evaluating, acquiring, structuring, holding, carrying, monitoring, managing and disposing of Gamut’s investments alongside other investment considerations. The application of that approach may involve higher ESG compliance expenses or costs or the forgoing of certain opportunities. There are no universally accepted ESG standards and not all investors may agree on the appropriate ESG standards to apply in a particular situation. Gamut will apply (or not apply) ESG standards and considerations in their sole discretion.

*Volatility of Natural Resources Prices.* The performance of certain investments will be substantially dependent upon prevailing prices of certain natural resources, including oil and natural gas. Historically, the markets for natural resources, including oil and natural gas, have been volatile, and such markets are likely to continue to be volatile in the future. Prices for natural resources, including oil and natural gas, are subject to wide fluctuation in response to relatively minor changes in supply and demand, market uncertainty and a variety of additional factors that are beyond the control of the Funds. The factors include the level of consumer product demand, the refining capacity of oil purchasers, weather conditions, domestic and foreign governmental regulations, the price and availability of alternative fuels, political conditions in the Middle East, actions of the Organization of Petroleum Exporting Countries, the foreign supply of natural resources, the price of foreign imports and overall economic conditions.

*Investment in the Media and Communications Industries.* Gamut may make investments in a number of different communications and media-related industries. Certain companies in the communications and media-related industries are or may be subject to extensive U.S. federal, state and local regulatory requirements. Certain regulations that are intended to limit the concentration of ownership and control of communications and media companies may prevent Gamut from making certain investments that it would otherwise make. Other regulations may cause substantial additional costs or lengthy delays in connection with the completion or disposition of an investment. Competitive pressures within the communications and media industries are intense, and the securities of communications and media companies may be subject to significant price volatility. In addition, because the communications and media industries are subject to rapid and significant changes in technology, companies in this industry in which Gamut may invest will face competition from technologies being developed or to be developed in the future by other entities, which may make such companies’ products and services obsolete.

*Deployment of Capital; Impact on Investment Returns.* In light of the need to be able to deploy capital quickly to capitalize on potential investment opportunities or to establish reserves for anticipated debts, liabilities or obligations, including liquidity needs, Gamut may invest in money market investments pending deployment into other investments, the amount of which may at times be significant. While the duration of any such holding period is expected to be relatively short, in the event Gamut is unable to find suitable investments,

such money market investments may be held for longer periods, which would be dilutive to overall investment returns. It is not anticipated that the temporary investment of such cash into money market investments will generate significant interest, and investors should understand that such low interest payments on the temporarily invested cash may adversely affect their overall returns.

*Debt Investments in Portfolio Companies.* Gamut may invest in debt and credit-related instruments. Certain debt instruments in which Gamut may invest may have speculative characteristics. A secured debt investment is subject to the same risks as the underlying asset securing the debt. However, such debt investments may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. In the event of a default by a borrower of a debt obligation held by an investor, the investor might not receive payments to which it is entitled and thereby could experience a decline in the value of its investments in the borrower.

Generally, such securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

*Additional Capital.* Gamut may to make additional investments, both during and after the commitment period of the Funds, for, among other reasons, the funding of add-on acquisitions or other investments or repayment of indebtedness by the Funds or a portfolio company or other obligations, contingencies or liabilities to satisfy their working capital requirements, capital expenditures or furtherance of the Funds or a portfolio company's or any of its subsidiaries' or affiliate's strategies. The amount of additional financing needed could depend upon the maturity and objectives of the particular portfolio company. Each round of financing could be intended to provide a portfolio company with enough capital to reach the next major valuation milestone or other event. If the funds provided are not sufficient, such portfolio company may have to raise additional capital at a price unfavorable to existing investors, including the Funds. In addition, the Funds may make additional investments in a portfolio company for purposes of, for example, exercising its preemptive rights or warrants or options or converting convertible securities that were



issued in connection with an existing investment in such portfolio company in order to, among other things, preserve Gamut's proportionate ownership when a subsequent equity or debt financing is planned, to protect Gamut's investment when, for example, such portfolio company's performance does not meet expectations, to enhance the value of an existing investment (including through add-on acquisitions or other investments) or in anticipation of disposition, refinancing, recapitalization or other transactions. The availability of capital is generally a function of capital market conditions that are beyond the control of Gamut or any portfolio company. There can also be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. For example, Gamut may be called upon to provide follow-on funding for its investments or have the opportunity to increase its investment in such a portfolio company. There can be no assurance that Gamut will make follow-on investments or that it will have sufficient funds or the ability to do so. Any decision by Gamut not to make a follow-on investment or its inability to make such an investment may have a substantial negative impact on a portfolio company in need of such an investment or may diminish Gamut's ability to influence the portfolio company's future development.

*Use and Availability of Leverage; Recent Changes in Credit Markets.* The availability of capital is generally a function of capital market conditions that are beyond the control of Gamut or any portfolio company. Gamut anticipates that the term of the Funds may correspond with a period of rising interest rates and volatility, both of which may adversely affect the pricing and availability of leverage. In a higher rate environment, the amount of leverage that may be used by portfolio companies is expected to be less than that which could be acquired in a lower rate environment, which may result in lower returns due to the effects of leverage, discussed in more detail below, and the higher interest servicing costs. Gamut expects to leverage its investments with debt financing at the Funds or portfolio company level. Utilization of such leverage (including through credit facilities (including subscription line facilities), guarantees, letters of credit, equity commitment letters, reverse repurchase agreements, dollar rolls, margin financing, options, futures, repurchase agreements, contracts, short sales, swaps (including total return swaps) and other derivative instruments or similar credit support (including on other forms of indebtedness or credit support (including on a joint and several or cross-collateralized basis or other forms of indebtedness or credit support)) will result in fees, expenses and interest costs borne by the Funds. Although the use of leverage could enhance returns and increase the number of investments that can be made by the Funds, it may also substantially increase the risk of loss. Furthermore, although Gamut will seek to use leverage in a manner it believes to be appropriate under the circumstances, the leveraged capital structure of any such portfolio company will increase the exposure of such portfolio company to adverse economic factors (such as rising interest rates, changes in commodity prices, downturns in the economy or a deterioration in the condition of such portfolio company or its industry), each of which may impair such portfolio company's ability to finance its future operations and capital needs and may result in the imposition of restrictive financial and operating covenants. If any such factors cause or contribute to such portfolio company's inability to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or similar payments or obligations, such portfolio company's flexibility to respond to changing business and economic conditions may be constrained materially and the value

of Gamut's investment in such portfolio company could be significantly reduced or even eliminated. Similarly, with respect to leverage at the level of the Funds, if the assets of the Funds are not sufficient to pay the principal of, and interest on, the debt when due, the Funds could sustain a total loss of its investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise, or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing.

The instruments and borrowings utilized by Gamut to leverage investments may be collateralized by any assets of the Funds (and may be cross-collateralized with the assets of any other Funds or other clients of Gamut and such entities may be held jointly and severally liable for the full amount of the obligations arising out of such instruments and borrowings). Accordingly, the Funds may pledge its assets (including its commitments) in order to borrow additional funds or otherwise obtain leverage for investment or other purposes. The amount of borrowings which the Funds may have outstanding at any time may be substantial in relation to its capital.

The principal, interest expense and other costs incurred in connection with any leverage used by Gamut may not be recovered by the proceeds from the upfront commitment or similar fees, if any, from the issuer of a portfolio investment, income from interest and repayment of borrowings by the portfolio company. Additionally, if the investments fail to perform to expectation, the investors' commitments may be called by the Funds to repay the Funds' borrowings, which will compound any such adverse consequences. Lenders may, under the terms of financing arrangements put in place with them, have the right to cause Gamut to withhold distributions from the Funds for various reasons, including in the event that any portfolio investment fails to perform to expectation.

The extent to which Gamut uses leverage may have consequences to its investors, including the following: (i) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes; (ii) increased interest expense if interest rate levels were to increase significantly; (iii) in certain circumstances, prematurely harvesting investments to service the Funds' debt obligations; and (iv) limitation on the flexibility of the Fund to make distributions to its investors or sell assets that are pledged to secure the indebtedness.

While the right to call capital contributions from all investors will serve as security for any credit facility of the Funds, the lenders thereunder will not necessarily credit some or all of their commitments in the borrowing base for such credit facility. To the extent any investor's commitments are not credited in the borrowing base, this will result either in the Funds making fewer investments or making investments on a less levered basis, in either case reducing the potential return of investors relative to the aggregate commitments of the Funds.

In addition, the continuing uncertainty in the global financial system could lead to an overall weakening of the U.S. and global economies, which could adversely affect the financial resources of the portfolio companies of the Funds. Favorable borrowing conditions in the debt markets, which historically have been cyclical, have often benefited

investments by clients of Gamut and enabled Gamut to make substantial distributions from the portfolio companies of its previous funds. However, there have been periods of volatility, uncertainty and a deterioration of the global credit markets which reduced investor demand and liquidity for investment-grade, high-yield and senior bank debt and caused some investment banks and other lenders to be unwilling (or significantly less willing) to finance new investments or to offer committed financing for investments on terms less favorable than terms offered in the past, making it significantly more difficult for sponsors or potential buyers to obtain favorable financing. There remain elevated levels of uncertainty in the global financial markets today and there can be no certainty that recurring periods of limited financing availability (or an increase in the interest cost) for leveraged transactions could return or persist, and should such conditions arise, they could impair, potentially materially, the Funds' or a portfolio company's ability to consummate transactions or could cause the Funds or a portfolio company to enter into certain leveraged transactions on less attractive terms. The availability of debt facilities may be further limited following guidance issued to banks in March 2013 by the U.S. Federal Reserve (the "Federal Reserve"), the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corp. relating to loans to highly leveraged companies and reported recent statements by the Federal Reserve and Office of the Comptroller of the Currency reaffirming their position on such loans. As such, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of the Funds or when due for refinancing. If the Funds are unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage for its investments, the Funds may hold a larger than expected equity investment in one or more portfolio companies and may realize lower than expected returns from such portfolio companies that would adversely affect the Funds' ability to generate attractive investment returns for the investors. Any failure by lenders to provide previously committed financing could also expose the Funds to potential claims by sellers of businesses which the Funds may have been contracted to purchase.

*Use of a Subscription Line Credit Facility.* Gamut may obtain one or more credit facilities, including a subscription line. It is expected that the Funds' interim capital needs will be satisfied through borrowings by the Funds under the credit facility, and drawdowns of capital contributions by the Funds, including those used to pay interest on credit facilities, would generally be expected to be "batched" together into larger, less frequent capital calls (although actual timing and amounts may vary). Depending upon the amount of any borrowings and the duration for which such borrowings remain outstanding, the use of a credit facility will impact the Funds' performance by delaying, or even replacing, capital contributions funded by investors. The use of a credit facility may also require fewer capital contributions early in the life of the Funds, but may require more capital calls later in the life of the Funds, as compared to the non-utilization of a credit facility. In addition, the internal rate of return of investments funded using a credit facility will be higher than they would have been had such investments been funded in cash by investors at the time such investments were made. To the extent Gamut uses a credit facility to minimize the number of capital calls or otherwise to defer calling capital from investors, (i) net IRRs will differ from what each would have been had such credit facility not been used for such purpose and (ii) the relevant contribution date for purposes of computing gross and net IRRs will be the date the capital contributions are made by investors to repay amounts borrowed

under such credit facility. Gamut has historically utilized leverage in the form of a subscription line credit facility in connection with its clients. As a result, the use of a credit facility will make it more meaningful to compare the performance of Gamut's clients with other funds that also utilize a subscription line credit facility; however, it will make it less meaningful to compare the performance of Gamut's clients with other funds that do not utilize a subscription line credit facility.

Assuming positive performance, such use of a credit facility will generally cause net IRRs to be higher than they would be otherwise. There are no limitations under the applicable agreements of the Funds on the time that any other borrowings or guarantees by the Funds under a credit facility may remain outstanding, and the interest expense and other fees, costs and expenses of or related to any borrowings or guarantees by the Funds will be operating expenses and, accordingly, will decrease net returns of the Funds. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the 8% preferred return (with the preferred return beginning to accrue when capital contributions to repay borrowings are actually due to be made to the Funds rather than upon the date on which a borrowing is made under any credit facility). In light of the foregoing, the General Partner could have an incentive to fund the acquisition of portfolio companies and ongoing capital needs of the Funds with the proceeds of borrowings under credit facilities or other borrowings guaranteed by the Funds in lieu of drawing down unused commitments. Further, the General Partner is authorized to cause the Funds or one or more portfolio companies to borrow money (including in the form of a margin loan) or otherwise provide credit support for the purposes of causing the Funds or any such portfolio company to realize proceeds other than in connection with a disposition of the Funds' interest in any such portfolio company to a third party or in an initial public offering. The General Partner is incentivized to provide liquidity to the Funds and their investors for purposes of improving the IRR of the Funds and accelerating the return of distributions to the investors (which could result in the distribution of carried interest to the General Partner), even if, as stated above, the Funds have not actually disposed of or otherwise realized its interest in such portfolio company. If any such form of financing is entered into by the Funds or any such portfolio company, there will be associated, contingent liabilities that could cause the Funds or the portfolio company to suffer losses and require the investors to make capital contributions throughout the Funds' life for purposes of satisfying, for example, margin calls or other obligations.

To the extent that Gamut is unable to obtain a credit facility, access to such facility becomes unavailable or the General Partner otherwise determines not to use such facility, the General Partner may draw down commitments in advance and hold them in reserve in order to make investments, satisfy fees and expenses and other capital needs as such needs arise in the future. Moreover, it is possible that a counterparty, lender or other unaffiliated participant in credit facilities (or otherwise in connection with portfolio investments) requires or desires facing only one fund entity or group of entities, which may result in (i) the Funds (including any one parallel fund comprising the Funds) and/or a portfolio company being solely liable with respect to its own and such third party for such other entities' share of the applicable obligation, or (ii) the Funds (including any one parallel fund comprising the Funds) or such portfolio company being jointly and severally liable

for the full amount of such applicable obligation. In addition, although the General Partner will, in good faith, allocate the related repayment obligations and other related liabilities arising out of such credit facilities among the foregoing (to the extent applicable), the parallel funds and alternative investment vehicles of the Funds will, in such circumstance, be subject to each other's credit risk, as well as the credit risk of such portfolio companies. In such situations it is not expected that the Funds and/or such portfolio company would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third-party counterparty. Tax-exempt prospective investors should note that the entry into, or the use of, the financing arrangements by the Funds or its subsidiaries, including any portfolio companies, is expected to create "unrelated business taxable income." In addition, the General Partner may be subject to conflicts of interest in allocating such repayment obligations and other related liabilities.

As stated above, the Funds are authorized to make permanent borrowings utilizing a credit facility or other forms of leverage, whereby the Funds borrow money with no intention at the time of the borrowing to repay it using capital contributions. Such forms of permanent leverage could be used in addition to or in lieu of portfolio investment-level financing in connection with the acquisition, financing or realization (in whole or in part) of a portfolio investment and if permanent leverage is used in connection with a portfolio investment, the portion of such portfolio investment designated as permanent leverage (whether such permanent leverage is recourse to the Partnership or non-recourse to the Funds) will be excluded from the calculations with respect to applicable percentage investment limitations.

The General Partner is incentivized to maximize its use of permanent borrowings so as to ensure that capital contributions need not be drawn and therefore the preferred return will not accrue and so that the General Partner can manage the Funds' portfolio investments within the Funds' investment limitations described above. This could result in the capital structures of portfolio companies or the Funds investment in a portfolio company being structured or managed in a way that utilizes permanent forms of financing (such as permanent borrowings under the credit facility) where such forms of financing are not necessarily required in connection with the acquisition or other activity with respect to the portfolio company. Further, the applicable agreement of the Funds will only impose a percentage cap on the amount of cash borrowings (excluding for the avoidance of doubt, obligations that do not involve borrowings for money, such as certain derivative transactions) that are recourse to the Funds. The General Partner will in its sole discretion determine whether and to what extent a borrowing is "recourse" to the Funds and will be subject to conflicts of interest in making such determination given that, among other things, if a borrowing is not deemed to be recourse to the Funds then it will not count towards the aforementioned cap on borrowings at the Funds level.

*Default by Other Investors.* If an investor fails to fund its share of its capital commitment or other payment obligations to the relevant Fund when due, and the combination of capital contributions made by non-defaulting investors and borrowings by the Fund are inadequate to cover the defaulted contribution, the Fund could fail to meet its obligations or complete investments that would otherwise have been suitable for the Fund. If the Fund is subject to

penalties as a consequence, the returns to all investors (including non-defaulting investors) may be materially adversely affected. If an investor defaults, it may be subject to various remedies as provided in the constituent documents of a Fund, including, without limitation, a forfeiture of its interests therein, preclusion from further investment in the Fund and participation in further investments by the Fund, reductions in its capital account balance and a forced sale of its interest at a discount. Gamut or one or more of its affiliates has the ability to draw down additional capital contributions from the non-defaulting investors (regardless of whether they are investors in the specific vehicle to which the default relates) to fund the shortfall caused by the defaulting investor(s) in amounts in excess of what such investors would have been required to fund had such defaulting investor(s) not defaulted on their capital contribution obligations. A default by an investor may also limit the Client's ability to incur borrowings and avail itself of what would otherwise have been available credit.

*Co-Investors.* As described above in “*Types of Clients*,” Gamut and/or its affiliates may offer co-investment opportunities to existing Funds investors and/or to other entities, including Gamut affiliates, as Gamut in its sole discretion, determines. In determining whether to make co-investment opportunities available, and the amount or size of such opportunities, Gamut has considered, and in the future expects to consider, any factors it deems relevant, including, without limitation, the sophistication of the prospective co-investor, ability of the co-investor to close the transaction quickly, tenure as a Fund investor, commitment to making co-investment funds available, commitment to invest in current or future products of Gamut, strategic expertise and financial resources of the prospective co-investor, and such other factors as Gamut deems relevant, which may include subjective determinations such as working relationships and strategic benefits to Gamut and/or the Funds. The commitment of co-investors to a portfolio company may be substantial and such investments may involve risks not present in investments where such co-investors are not involved. Co-investors will typically bear their pro rata share of fees, costs and expenses related to the sourcing, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co investments and may be required to pay their pro rata share of fees, costs and expenses related to potential investments that are not consummated, such as breakup fees or broken deal expenses. Although Gamut endeavors to allocate such fees, costs and expenses on a fair and reasonable basis, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately. In addition, co-investors may not agree to pay or otherwise bear fees, costs or expenses related to unconsummated co-investments. In the event co-investors refuse to bear such fees, costs and expenses, such fees, costs and expenses will be considered operating expenses of and will be borne by the Funds. Further, it is possible that a co-investor may experience financial, legal or regulatory difficulties, may at any time have economic or business interests or goals that are inconsistent with those of the Funds, may take a different view from Gamut as to the appropriate strategy for an investment, or may be in a position to take action contrary to the Funds' investment objectives. The Funds may co-invest in a company with financial, strategic or other third-party investors. Such investments will involve additional risks not present in investments where a third party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of the Funds or may be in a position

to take action contrary to the Funds' investment objectives. Finally, the Funds may in certain circumstances be liable for the actions of its co-investors.

In those circumstances where such co-investors involve a portfolio company's management group, such co-investors may receive compensation arrangements relating to the investment, including incentive compensation arrangements.

*Bridge Investments.* From time to time, Gamut may cause its clients to lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing. Such bridge investments would typically be convertible into a more permanent, long-term security; however, for reasons not always in Gamut's control, such long-term securities issuance or other refinancing may not occur and such bridge investments may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by Gamut's clients.

*Non-U.S. Investments Generally.* Gamut may make investments in countries outside of the United States, some of which may prove to be unstable. Non U.S. investments involve certain risks not typically associated with investing in the United States, including, without limitation, risks relating to (i) currency exchange matters, such as fluctuations in the rate of exchange between the U.S. dollar and the various non U.S. currencies, and costs associated with the conversion of investment principal and income from one currency into another, (ii) the imposition or modification of foreign exchange controls, (iii) the unpredictability of international trade patterns, (iv) differences between U.S. and non-U.S. markets, including potential price volatility in, and relative illiquidity of, some non U.S. markets, (v) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation in some countries, (vi) certain economic, social and political risks, including restrictions on non U.S. investment and repatriation of capital, the risks of economic, social and political instability (including the risk of war, terrorism, social unrest or conflicts) and the possibility of nationalization, confiscatory taxation or expropriation of assets, (vii) the possible imposition of non U.S. taxes on income and gains recognized with respect to such non U.S. investments, (viii) different bankruptcy laws and customs, and (ix) less developed corporate laws regarding, among other things, fiduciary duties and the protection of investors. In addition, laws and regulations of non-U.S. countries may impose restrictions that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. Some countries in which Gamut invests could have short histories as market economies, and investments in assets in such countries may entail a higher risk than assets in the United States. Gamut will analyze risks in the applicable non-U.S. countries before making such investments, but no assurance can be given that a change in political or economic climate, a lack of reliable and less detailed information than information typically available from U.S. investments or particular legal or regulatory risks might not adversely affect an investment. Certain foreign countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets (both public and private) of certain countries in which Gamut may

invest. There can be no assurance that high rates of inflation outside the United States will not have a material adverse effect on the investments.

*No Assurance of Investment Return.* There can be no assurance that Gamut will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described above. There may be little or no near-term cash flow available to the Funds and its investors, and there can be no assurance that any investor will receive any distribution from the Funds. The Funds will pay any fees, costs and expenses incurred in sourcing, investigating, negotiating or structuring any investment in which the Funds is authorized to invest under the applicable agreements of the Funds but does not actually invest (including any such fees, costs and expenses not borne by co investors, and fees, costs and expenses associated with joint ventures and platform investments, some of the economic benefits of which (if any) could accrue to Gamut or one or more other clients of Gamut, rather than to the Funds, as described in more detail below). In addition, the Funds may enter into agreements to consummate transactions which involve payments, such as reverse break up fees, by the Funds in certain circumstances if the Funds does not consummate the transaction. As a result, the Funds could incur a substantial cost with no opportunity for a return.

Even if the investments are consummated successfully, they are not generally expected to produce a realized return for a number of years after the investment is made. Further, Gamut may make (or commit to make) an investment with a view to selling a portion of such investment to co-investors or other persons prior to or within a brief period after the closing of the acquisition. In such event, the Funds will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the investors may bear the entire portion of any breakup fee or other fees, costs and expenses related to such investment, hold a larger than expected investment or may realize lower than expected returns from such investment.

*Cybersecurity Risk.* Investment advisers, including Gamut, relies extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes, including trading, clearing and settling transactions, evaluating certain investments, monitoring its portfolio and net capital and generating risk management and other reports that are critical to oversight of its activities. Certain of its operations will be dependent upon systems operated by third parties, including prime broker(s), administrators, market counterparties and their sub-custodians and other service providers. Gamut's service providers may also depend on information technology systems and, notwithstanding the diligence that Gamut may perform on its service providers, Gamut may not be in a position to verify the risks or reliability of such information technology systems.

Gamut and their respective service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users, as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and/or



misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to Gamut or investors in the Funds, without limitation, by interfering with the processing of transactions, affecting Gamut's ability to conduct valuations or impeding or sabotaging trading. Gamut may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose Gamut (which in turn is entitled to indemnification by the Funds) to civil liability as well as regulatory inquiry and/or action. Investors in the Funds could also be exposed to losses resulting from unauthorized use of their personal information. Similar types of cybersecurity risks also are present for portfolio companies businesses and other issuers of securities in which Gamut invests, which could affect their business and financial performance, resulting in material adverse consequences for such issuers and causing Gamut's investments to lose value.

*Public Health Emergencies and Infectious Diseases.* Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on Gamut and its investments and could adversely affect Gamut's ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on the Funds and its investments' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds' investments, Gamut's ability to source, manage and divest investments and the Funds' ability to achieve its investment objectives, all of which could result in significant losses to the Funds. In addition, the operations of the Funds, its investments, and Gamut may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

*Location and Infrastructure.* Gamut maintains its headquarters in New York City. Loss of access to its offices and/or loss of key personnel, whether through fire, terrorist action, earthquake, pandemic or some other catastrophic event, could affect Gamut's operations and the investment returns of the Funds. A serious impairment to the infrastructure of such

office, such as extended loss of power or a prolonged restriction of physical access to the building, also could adversely affect Gamut's operations and the Funds' investment returns. Gamut has contracted for offsite data back-up and recovery and has a business continuity and disaster recovery plan for offsite operation, but the risk of disruption of operations cannot be eliminated completely. Similar risks may apply to the Funds' service providers or other counterparties (including administrators, lenders brokers, attorneys, consultants and investment or commercial banking firms).

*Force Majeure and Expropriation Risk.* Companies or assets may be affected by force majeure events (*i.e.*, events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fires, floods, earthquakes, outbreaks of infectious disease, pandemics or any other serious public health concerns, wars, terrorism and labor strikes). Natural disasters, epidemics and other acts of God, which are beyond the control of Gamut, may negatively affect the economy, infrastructure and livelihood of people throughout the world. For example, southeast Asia and many countries in Asia, including China, Japan, Indonesia and Australia have been affected by earthquakes, floods, typhoons, drought, heat waves or forest fires. Disease outbreaks have occurred in Asia in the past (including severe acute respiratory syndrome, or SARS, avian flu, H1N1/09 flu and COVID-19) and any prolonged occurrence of infectious disease, or other adverse public health developments or natural disasters in any country related to the Funds' investments may have a negative effect on the Funds. Some force majeure events may negatively affect the ability of a party (including the Funds or a counterparty to the Funds) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to the Funds of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of infectious disease) could have a broader negative impact on the world economy and international business activity generally, or otherwise negatively impact any country related to the Funds' investments. Additionally, a major governmental intervention in an industry, including the nationalization of an industry or the assertion of control over one or more companies or assets, could result in a loss to the Funds, including if its investment is canceled, unwound or acquired (which could be without what the Funds considers to be adequate compensation). Any of the foregoing may therefore negatively affect the performance of the Funds and its investments. Force majeure risks are generally uninsurable and, in some cases, agreements can be terminated if the force majeure event is so catastrophic that it cannot be remedied within a reasonable time period. While Gamut may seek to utilize insurance and other risk management techniques (to the extent available on commercially reasonable terms) to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, it may not always be practicable or feasible to do so. Moreover, it may not be possible to insure against all such risks, and insurance proceeds may be inadequate.

*Tax Changes, Uncertainties and Risks.* On December 22, 2017, Congress enacted Public Law Number 115-97, formerly known as the Tax Cuts and Jobs Act (the "TCJA"). The TCJA significantly amends the U.S. federal tax code and includes, among other things, (a) a reduction in the corporate income tax rate to 21% and the reduction of tax rates for certain business income earned through partnerships; (b) a new limitation on interest deductibility by corporations; (c) the immediate expensing of certain capital expenses for nine years;

and (d) the migration from a worldwide system of taxation to a modified territorial system. These and other provisions are generally effective for taxable years beginning after December 31, 2017, and certain provisions are further subject to sunset. There are a number of technical issues and uncertainties in the TCJA, which may be clarified by future guidance. While certain guidance has been issued by the U.S. Treasury Department and the IRS, further interpretative guidance will be necessary to help reduce such uncertainty, and Congress may implement technical corrections at some time in the future. However, it may take a substantial amount of time for such guidance to be published and, accordingly, Gamut may have significant uncertainties in its tax positions.

Various legislative and regulatory proposals originating inside and outside the United States could also impact Gamut. For example, the Organization for Economic Co-operation and Development (“OECD”) and other government agencies globally have continued to recommend and implement changes related to the taxation of multinational companies. On October 5, 2015 the OECD published 13 final reports and an explanatory statement outlining consensus actions under the OECD/G20 Base Erosion and Profit Shifting (“BEPS”) project. This project involves a coordinated multijurisdictional approach to increase transparency and exchange of information in tax matters, and to address weaknesses of the international tax system that create opportunities for BEPS by multinational companies. The reports cover measures such as new minimum standards, the revision of existing standards, common approaches which will facilitate the convergence of national practices, and guidance drawing on best practices.

Implementation into domestic legislation may not be uniform across the participating states; certain actions give states options for implementation, certain actions are recommendations only and other jurisdictions may elect to only partially implement rules where it is in the state’s interest. On November 24, 2016, the OECD published the text of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (the “MLI”), which is intended to expedite the interaction of the tax treaty changes of the BEPS project. On June 6, 2017, 67 signatories covering 68 jurisdictions signed the MLI, and an additional nine jurisdictions expressed their intent to sign the MLI. The adoption of such provisions could adversely impact the ability of the Funds to claim treaty benefits with respect to taxes in source jurisdictions, which could have an adverse impact on the Funds’ returns. As a result of this or similar initiatives, tax laws applicable to the Funds could change on a prospective or retroactive basis, and any such changes could materially adversely affect the Funds.

*Liability for Adjusted Tax Returns.* The Funds may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by the IRS, an investor might be found to have a different tax liability for that year than that reported on its federal income tax return.

In addition, an audit of the Funds may result in an audit of the returns of some or all of the investors, which examination could result in adjustments to the tax consequences initially reported by the Funds and affect items not related to an investor’s investment in the Funds. If such adjustments result in an increase in an investor’s federal income tax liability for any year, such investor may also be liable for interest and penalties with respect to the amount

of underpayment. The legal and accounting costs incurred in connection with any audit of the Funds' tax return will be borne by the Funds. The cost of any audit of an investor's tax return will be borne solely by the investor.

The Bipartisan Budget Act of 2015 introduced a new partnership audit regime generally applicable to partnership returns filed for tax years beginning after December 31, 2017 (the "BBA Rules"). Under this new regime, unless the Funds makes the election described below, the Funds itself will generally be responsible for paying any "imputed underpayment" of tax resulting from audit adjustments (including interest and penalties) in the tax year during which the audit is finalized (the "adjustment year"). In this case, partners of the Funds in the adjustment year, rather than the persons that were partners during the relevant Funds' tax year under audit (the "reviewed year"), would bear the cost of the audit adjustment. In general, under this regime, taxes imposed on the Funds would be assessed at the highest rate of tax applicable for the reviewed year and determined without regard to the character of the income or gain, partners' status or the benefit of partner-level tax attributes (that could otherwise reduce tax due). However, the Funds may be able to reduce the underpayment of taxes owed by the Funds, to the extent that the Funds demonstrates such taxes are allocable to a limited partner that would not owe any tax by reason of its status as a "tax-exempt entity."

Instead of the Funds paying the imputed underpayment as described above, the Funds may elect to issue statements to persons that were partners during the reviewed year. If the Funds makes the election, such partners would be responsible for paying any taxes associated with the audit adjustments in the adjustment year (including interest and penalties). In such case, the partners of the reviewed year would also incur a two-percentage point increase on the interest rate that would otherwise have been imposed on any underpayment of taxes (unless such partner is a pass-through entity and makes a valid election to "push out" its share of the adjustments to its partners, members or owners). If the Funds makes an election with respect to partners or former partners whose allocable shares of adjustments would have been subject to U.S. federal withholding, such partners or former partners may be required to file a U.S. federal income tax return and pay their allocable shares of interest, penalties and additions to tax even though the Funds is required to pay the withholding tax. Gamut generally has discretion whether or not to make this election for the Funds. The Gamut general partner or the person such general partner appoints will be the "partnership representative" for purposes of the BBA Rules and will have broad authority to represent the Funds in respect of tax audits for applicable years, including the authority to make the election described above.

*Bank Industry Disruption.* As a result of increasing interest rates, reserves held by banks and other financial institutions in bonds and other debt securities could face a significant decline in value relative to deposits and liabilities which, coupled with general economic headwinds resulting from a changing interest rate environment, creates liquidity pressures at such institutions, as evidenced by the bank run on the Silicon Valley Bank (SVB) ("SVB") and Signature Bank, causing them to be placed into receivership. As a result, certain sectors of the credit markets could experience significant declines in liquidity, and it is possible that Gamut (with respect to Clients), and/or the management and other personnel of the portfolio investments owned by Clients, will not be able to manage this

risk effectively. It is yet to be determined how the bank run on SVB and Signature Bank will fully impact other financial instruments and broader economy, as well as the overall performance Clients and their investments.

*United Kingdom Exit from the European Union.* The United Kingdom (“U.K.”) withdrew from the European Union (“EU”) and the EEA on January 31, 2020. Following withdrawal from the EU, the U.K. entered a transition period lasting until December 31, 2020, during which EU law continued to apply in the U.K. New EU legislation that took effect before the end of the transition period also applies to the U.K. The U.K. and the EU have agreed to a framework for trading arrangements which has been applied provisionally since the end of the transition period. Under the agreed arrangements, U.K. goods will continue to have tariff free access to the EU but other barriers will apply.

The impact of such events on the Funds are difficult to predict but they may adversely affect the return on the Funds and their investments. There may be detrimental implications for the value of certain of the Funds’ investments, their ability to enter into transactions or to value or realize such investments or otherwise to implement its investment program. This may be due to, among other things: increased uncertainty and volatility in the U.K., E.U. and other financial markets; fluctuations in the market value of the U.S. dollar, sterling and of U.K. and E.U. assets; fluctuations in exchange rates between sterling, the Euro and other currencies; increased illiquidity of investments located, listed or traded within the U.K., the E.U. or elsewhere; changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact, and/or changes in legal and regulatory regimes to which the Funds and/or certain of the Funds’ assets are or become subject.

*Regulatory Developments Relating to Investment Advisers and Private Funds.* Legal, tax and regulatory changes, as well as judicial decisions, could adversely affect Gamut and its Clients, particularly those clients that are private funds. In particular, the regulatory environment relevant to private investment funds is evolving and may entail increased regulatory involvement in Gamut’s business or result in ambiguity or conflict among legal or regulatory schemes applicable to Gamut’s business, all of which could adversely affect the investment strategies pursued or the value of investments held by a Fund.

In 2023 and early 2024, the SEC voted to adopt several new rules and amendments that can be expected to affect Gamut’s business and the Fund.

*The Private Fund Adviser Rules* In August 2023, the SEC voted to adopt new rules and amendments to existing rules under the Advisers Act (collectively, the “Private Fund Adviser Rules”) specifically related to investment advisers and their activities with respect to private funds. The various Private Fund Adviser Rules have compliance dates of either September 14, 2024 or March 14, 2025.

The Private Fund Adviser Rules are expected to, among other things, (i) require quarterly reporting by registered private fund advisers to investors concerning performance, compensation, fees and expenses; (ii) require registered advisers to obtain an annual audit

for private funds they advise; (iii) require registered advisers to obtain a fairness opinion or a valuation opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); (iv) prohibit advisers from charging certain fees and expenses to private fund clients without disclosure and in some cases investor consent; (v) prohibit advisers from reducing an adviser clawback by the amount of certain taxes, unless disclosed; (vi) prohibit an adviser from borrowing or receiving an extension of credit from a private fund client without disclosure and investor consent; and (vii) impose limitations on and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser. Several trade groups representing private fund managers have filed a legal challenge to the Private Fund Adviser Rules.

The Private Fund Adviser Rules are likely to have a significant effect on Gamut, the Funds and their operations, including increasing compliance burdens and associated regulatory costs and increasing the risk of regulatory action, including public regulatory sanctions and may result in a change to Gamut's practices and create additional regulatory uncertainty. The Private Fund Adviser Rules may result in material alterations to how Gamut operates its business and/or the Funds, as well as Gamut's implementation of the investment strategy of the Funds, and there can be no assurance that such alterations will not have a material adverse effect on Gamut, the Funds and/or their portfolio companies.

*Form PF Amendments.* In May 2023, the SEC adopted substantial amendments to Form PF. Among other requirements, the amended Form PF (i) imposes quarterly event reporting requirements on all private equity fund advisers regarding certain triggering events including the removal of a general partner, certain fund termination events and the occurrence of an adviser-led secondary transaction; and (ii) creates additional annual reporting requirements for "large" private equity fund advisers (i.e., private equity fund advisers with at least \$2 billion in private equity assets under management) including reporting on the occurrence of any GP clawback or LP clawback, as well more detailed information on fund investment strategies, fund-level borrowings, events of default, bridge financings to controlled portfolio companies and geographic breakdowns of investments. The compliance date for the quarterly event reporting requirements occurred in December 2023 and the compliance date for the amendments to the annual reporting requirements is in June 2024.

In February 2024, the SEC and the U.S. Commodity Futures Trading Commission ("CFTC") jointly adopted amendments to Form PF. Among other requirements, the joint amendments (i) require private fund advisers to report additional information about themselves and their private funds, including identifying information, assets under management, withdrawal and redemption rights, gross asset value and net asset value, inflows and outflows, base currency, borrowings and types of creditors, fair value hierarchy, beneficial ownership, and fund performance; and (ii) require private fund advisers to report separately each component fund in complex fund structures, such as master-feeder arrangements and parallel fund structures. The compliance date for the joint SEC and CFTC amendments to Form PF is in March 2025.

*Potential Impact.* These final rules and amendments are expected to significantly increase compliance burdens and associated regulatory costs and operational complexity. The cost of implementing requirements relating to these final rules and amendments is expected to be substantial and may, to the extent permitted by the relevant Governing Documents and applicable regulations, be borne by Gamut, the Funds or other Clients, and/or portfolio investments of the Funds and other Clients.

*Artificial Intelligence and Machine Learning Developments.* Recent advances in artificial intelligence and machine learning technology (collectively, “Machine Learning Technology”), including large language models (“LLMs”) such as OpenAI’s ChatGPT and the release by other companies of similar LLM applications, pose risks to Gamut, the Funds, and the Funds’ portfolio companies. Gamut, the Funds, and the Funds’ portfolio companies could be further exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to Gamut, also use Machine Learning Technology in their business activities in ways that cause business or regulatory risk. Gamut will not be in the position to control the manner in which third-party products are developed or maintained, or the manner in which third-party services are provided.

Use of Machine Learning Technology by any of the parties described in the previous paragraph could include the input of confidential information (including material non-public information), sensitive financial information or personally identifiable information— either by third parties in contravention of non-disclosure agreements, or by Gamut personnel and affiliates in contravention of the AI Policy—into Machine Learning Technology applications. It is possible that such actions could result in confidential information becoming part of a dataset accessible by other third-party Machine Learning Technology applications and users. There are also risks associated with authorized use of Machine Learning Technology. Such Machine Learning Technology is highly reliant on the collection and analysis of large amounts of data, and it may not be possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Moreover, certain data in such models may contain a degree of inaccuracy and error – potentially materially so – and could otherwise be inadequate or flawed, which would likely degrade the accuracy and effectiveness, and increase the risk of use of Machine Learning Technology. In addition, even with accurate and complete data, Machine Learning Technology can sometimes produce output that contains unknown errors. To the extent that Gamut, the Funds, or the Funds’ portfolio companies are exposed to the risks of Machine Learning Technology use, any such inaccuracies or errors could have adverse impacts on Gamut, the Funds’, or the Funds’ portfolio companies. Machine Learning Technology and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

*Selection of Service Providers.* The Funds’ advisors and service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, tax counsel, consultants, order management system, and investment or commercial banking firms) or their affiliates may provide goods or services to, or have business, personal, financial or other relations with Gamut, its employees (or their family members), affiliates, Funds, and/or portfolio

companies. Such advisors and service providers may be investors in one or more of the Funds, sources of investment opportunities or co-investors or commercial counterparties or entities in which Gamut or its employees (or their family members) or affiliates have an investment.

Except as required by a Fund's Governing Documents, Gamut will generally have the discretion to select service providers independent of review by investors or consent by any relevant Fund or limited partner advisory committee. The Funds, unless otherwise specified or agreed, will bear the cost of all such service providers, as appropriate.

The service providers that Gamut selects for one or more of the Funds may also provide services to Gamut and/or its affiliates, or a portfolio company in a different capacity and/or at different rates. Fee discounts may be granted to Gamut, its affiliates in connection with such engagement and not the Funds or a portfolio company, or vice versa. This creates a potential conflict of interest where the interests of the parties are not aligned where, for example, a law firm may be at the same time engaged to provide services to both Gamut and one or more of the Funds or a portfolio company.

Additionally, certain investors or employees of Gamut may have family members or relatives employed by such advisors and service providers. These relationships could influence Gamut or its affiliates or the applicable general partners in deciding whether to select or recommend such service providers to perform services for the Funds or portfolio companies (the cost of which will generally be borne directly or indirectly by the Funds or such entities, as applicable).

Gamut attempts to mitigate the conflicts of interest associated with the selection of service providers through the use of reasonable diligence to select service providers, including without limitation, law firms, taking into account such factors as expertise, availability and quality of service, competitiveness of compensation rates, operational and regulatory controls, and comparing those factors with other similar service providers.

*Capitalized Transaction Costs.* Any transaction expenses relating to unconsummated investments generally will be borne by the relevant Fund(s), except to the extent borne by co-investors or other third parties. Transaction-related expenses associated with consummated investments generally will be charged to the relevant portfolio company rather than paid by the relevant Fund(s). Depending on the circumstances, such transaction-related expenses may be paid directly by the portfolio company or capitalized into the cost of the transaction. The practice of causing a portfolio company to bear transaction-related expenses can have the effect of reducing the overall amount of such expenses borne by a Fund (insofar as it results in other investors in the portfolio company, such as co-investors and management-related investors, bearing a portion of the expenses that might otherwise be borne solely by the Fund (and indirectly, by the Fund's investors)), but can also result in an increase in the value of the portfolio company for purposes of calculating the management fee payable to Gamut during periods when a Fund's management fee is calculated on the basis of adjusted cost. If transaction-related expenses relating to consummated investments are not paid directly by such portfolio company or capitalized in the manner described above, then they will be paid by the applicable Fund(s) and



included in the cost of investment, including for purposes of the management fee calculations). The inclusion of transaction-related expenses in the determination of a Fund's adjusted cost increases the basis upon which management fees are calculated, and Gamut therefore has a conflict of interest in determining whether certain expenses are in fact transaction-related and the extent to which they may be included in the determination of a Fund's adjusted cost. This conflict may, however, be mitigated insofar as the inclusion of such amounts in adjusted cost increases the value of the Fund's interest in a portfolio company for purposes of the Fund's carried interest waterfall and contributes towards the preferred return that must be received on an investment before the General Partner is able to receive carried interest in connection with the investment's realization.

*Agreements with Certain Investors.* Certain investors in the Funds have been granted and in the future additional investors may be granted one or more of the following rights with respect to their investments: (i) a reduced management fee and/or performance-based compensation and/or operating expense; (ii) the right to receive improved fees, liquidity, information rights and other terms received by other investors; (iii) the right to receive certain additional information with respect to certain funds, including position-level portfolio information or events related to Gamut; (iv) the right to reserved capacity for a certain fund; (v) notification to the investor with respect to the investor's ownership percentage of a certain fund; (vi) limitation on the investor's ownership percentage of a certain fund below certain thresholds; (vii) notification to the investor with respect to the ownership by benefit plan investors of a certain fund's equity classes; (viii) certain limitations on an investor's confidentiality obligations under a certain fund's organizational documents pursuant to laws or regulations to which the investor is subject (such as the public information or "sunshine" laws); and (ix) an acknowledgement that such investor is entitled to sovereign status under U.S. federal, state or non-U.S. law.

In addition to the above, certain investors in the Funds have been granted and in the future additional investors may be granted one or more additional rights with respect to their investments, including, but not limited to: (i) the right to opt out of the requirement to fund capital calls or otherwise be excused from participating in certain investments due to regulatory, tax or public policy or the investor's internal considerations; (ii) the right to designate one or more members of an investor advisory or board; (iii) rights with respect to distributions in kind; (iv) rights with respect to transfers of interests; (v) the right to receive information regarding the investment and/or disposition strategy of the relevant Fund; (vi) an acknowledgement that such investors are interested in learning about potential co-investment opportunities; (vii) the right to provide selected confidential information to certain other recipients, (viii) the right to modifications to an investor's subscription agreement, (ix) arrangements with respect to waivers of certain obligations, and (x) agreements by a general partner (or similar governing body) to refrain from exercising certain remedies or taking certain actions against an investor (including in connection with a default by such investor).

Such rights can be, and have been, granted on the basis of (i) the size, nature, timing or other features of the investor's investment in, or commitment made to, a Fund, (ii) the type, category, nature, specificity or other features of the investor, (iii) the involvement or participation in Fund's, Gamut's or the applicable general partner's management or

activities (whether past, present and/or future; in each case only to the extent permitted under applicable laws), or (iv) any other criteria, element or feature as may be determined from time to time by, and in the discretion of, Gamut or the applicable general partner, to extent that such is not inconsistent with applicable laws and regulations.

*Valuation.* Gamut is responsible for valuing the assets of certain Funds. Such valuation will affect reported Fund management and performance-based fees received by Gamut, as well as reported performance metrics such as rates of return and multiples on invested capital, which calculations depend on the valuation of Fund assets. Although Gamut will be performing its valuation of Fund assets pursuant to its valuation policy, which generally involves current market price information, there will be investments as to which current or reliable market price information is unavailable, in which event Gamut has discretion in determining the appropriate means of valuation. For investments for which current or reliable market price information is unavailable, valuation involves uncertainties and judgmental determinations and are subject to the risk that the information utilized to value assets or to create price models is incomplete, inaccurate or subject to other error. Private investments may be valued using information provided on a lagged basis, including investments made through special purpose vehicles or in a private fund. There can be no assurance that the value assigned to an investment at a certain time will equal the value that such Funds are ultimately able to realize, or that would be realized upon an immediate disposition of the investment.

*Purchase or Transfer of LP Interests.* Purchase of limited partnership interests in any Fund should be considered a long-term investment. Subject to the terms set forth in each Fund's Governing Documents, Limited Partners generally may not sell, redeem or transfer their interests in a Fund without the consent of the General Partner. Each Fund is not obligated to, nor does it intend to, register the interests or create any form of secondary market in order to permit the resale or transfer thereof by Limited Partners. Because of these restrictions and the absence of a secondary market for the interests, Limited Partners may be unable to liquidate their investments even though financial circumstances would make liquidation advisable or desirable. In certain circumstances, such as when restricting the sale or transfer of interests would result in a risk of default by a Limited Partner, the General Partner may approve of a purchase or transfer of a particular Limited Partner's interests in a Fund to another Limited Partner, Gamut, the General Partner and/or one or more of the General Partner's affiliates, as determined in the discretion of Gamut or the General Partner. Such transfers, including where the identification of potential transferees is dependent on Gamut or the General Partner, may pose conflicts of interest due to the asymmetrical information that exists between Gamut and the General Partner and the transferring Limited Partner with respect to the valuation of the relevant Fund's interests and the potential that the transferee may obtain the transferring Limited Partner's interests for less than fair value.

To the extent that the General Partner or Gamut has discretion over approving a transfer of interests in a Fund or is asked to identify potential purchasers in a transfer, the General Partner or Gamut will do so in its discretion, and is permitted to take into account a variety of factors, including but not limited to its own interests including: the financial resources

of the potential purchaser, including its ability to meet capital commitment obligations; past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future funds and/or Gamut and the expected amount of negotiations required in connection with a potential purchaser's investment; whether the potential purchaser would subject Gamut, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens; requirements in such Fund's organizational documents; a potential purchaser's investment into another Fund (including any commitment to a future fund or a co-investment); and such other facts as it deems appropriate under the circumstances in exercising such discretion.

*Fee Base/Writedowns.* In general, following the investment period defined in the applicable Governing Documents, the Management Fee will be based upon commitments funded in respect of portfolio investments that have not been the subject of a permanent write-down, and will be payable in advance based on the amount of such funded Commitments as of a Management Fee payment date as defined in the applicable Governing Documents, irrespective of any write-down during such applicable period. The due date in the funding notice to the limited partners for the payment of the Management Fees may be on a date later than the Management Fee payment date for the applicable period, at which time one or more portfolio investments for which the Management Fee will be payable may have already been disposed of or written down.

Once a portfolio investment has been disposed of or permanently written down, Gamut will not receive a management fee on the portion of the cost basis of an investment that has been disposed of or permanently written down and the General Partner will not receive performance-based compensation until the investors receive distributions equal to their share of such portfolio investments.

*Continuation Fund Conflicts.* In certain circumstances, Gamut may determine that it would be in the best interests of a Fund to provide an opportunity for underlying investors to obtain liquidity for all or a portion of their interests or their interests in particular investments while other Funds own, and Gamut continues to manage, such investments. Subject to the consent of the relevant Fund's advisory board or a majority interest of a Fund's investors, Gamut could propose to a Fund's advisory board or a Fund's investors one or more transactions that enable investors to monetize or restructure all or a portion of their interests in a Fund, including through the use of a new investment fund or similar continuation vehicle (each such transaction, a "Liquidity Event") that would be advised by Gamut (each, a "Continuation Fund") and from which Gamut may receive asset-based and performance-based compensation, as determined by Gamut. When making such determination, Gamut may take the view that a particular investment: (i) has the potential for additional value that may require a longer holding period or additional fundings of capital than is appropriate or permitted for the Funds that then own such investment and/or that the optimal exit from such investment is likely to be achieved as of such later date or (ii) that due to a variety of circumstances (e.g., prevailing market conditions, a changed risk-return for the asset, the life-cycle of the Fund, etc.), the relevant investment is no longer suitable for the Funds that own it.

As part of the Liquidity Event, the Fund investors may be given the opportunity to continue their investment in the relevant assets, in whole or in part. Gamut may, but will not be obligated to, offer the selling Fund investors the ability to reinvest in the relevant investment through the applicable Continuation Fund via roll-over equity. Gamut may seek to require the purchasers to make commitments to a successor fund and/or its parallel funds advised by Gamut or accept the terms of disposition offered by the new investors for the portfolio company interests. The terms offered to selling Fund investors may or may not accurately reflect fair market value of such interests. Because Gamut will have the opportunity to earn additional asset-based and performance-based compensation and other economic benefits in respect of such Liquidity Events, and because each purchaser's commitment to acquire interests in a successor fund and/or its parallel funds could be conditioned upon completion of the Liquidity Events, Gamut will have conflicts of interest with respect to any such Liquidity Event, including in determining the terms and participants in connection with such Liquidity Event. Gamut could be subject to other conflicts of interests in connection with a Liquidity Event, including with respect to investment valuations, allocation of fees and expenses, and the offering of investment opportunities to Funds and Co-Investors.

The Continuation Fund could also involve participation of related Funds and/or third parties, which may indirectly acquire a portion of the relevant assets relating to the interests of the Fund investors that did not elect to continue their participation, in whole or in part. Depending on the elections made by the Fund investors, the sale of an investment to a Continuation Fund will result in certain Fund investors disposing of their investments in the underlying assets at a different time than the non-participating Fund investors, and otherwise taking actions with respect to such investment that are different than the actions taken by the Fund investors that do not make the same elections. As such, certain Fund investors, including the relevant general partner and other related persons of Gamut, could ultimately receive a return on their share of the relevant investment that is higher or lower than the return achieved by other investors in the Fund.

In addition, unless otherwise agreed at the relevant time, in connection with such transaction, the general partner will be entitled to its profits interest with respect to such investments as if the relevant investments had been sold for cash. Finally, Gamut or its affiliate may be entitled to a management fee or other compensation in connection with the management of a Continuation Fund. Neither the Fund nor the Fund investors will be entitled to any income or offset for fees or profits interests payable to the general partner, Gamut or any of their affiliates by any Continuation Fund.

Additionally, it is possible that new investors will be subscribing for interests in a Continuation Fund ("New Funding Investors") alongside underlying investors that will be rolling their interests in the underlying investments ("Rolling Investors") and that such New Funding Investors may participate in any such Continuation Fund on terms that are more or less favorable than the terms offered to Rolling Investors, resulting in additional conflicts of interest between the interests of such New Funding Investors and such Rolling Investors. In addition, such New Funding Investors in a Continuation Fund may participate on terms that could result in dilution of Rolling Investors' indirect interests in the relevant underlying investments and could adversely affect returns to such Rolling Investors. Also,

as a consequence of the potential for New Funding Investors to be offered preferred economics in the Continuation Fund, the amount and timing of returns to a Rolling Investor from a Continuation Fund may not be the same as those for the New Funding Investor, which may be paid in priority to returns to the Rolling Investors. Similarly, the terms applicable to any underlying investor's retained interest may be less favorable than the terms applicable to other interests in the relevant underlying investment that are sold by the Fund.

In the circumstances outlined above, Gamut may determine that it is in the interests of the relevant Funds to enter into a cross trade with another Fund or Funds, it being understood that such cross trade would be completed in accordance with Gamut's policies and procedures with respect to cross trades.

*Benchmarking.* With respect to costs associated with Gamut's retention of service providers to Clients or portfolio investments, while Gamut may, in its discretion (subject to a Client's Governing Documents) seek to obtain benchmarking data regarding the rates charged or quoted by other third parties for similar services, Gamut generally is under no obligation to do so. In the event that Gamut does undertake to benchmark the cost of services, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services. In addition, benchmarking data, to the extent available, often is based on general market and broad industry overviews, rather than determined on a provide-by-provider or asset-by-asset basis. As a result, benchmarking data typically does not take into account specific characteristics of individual assets then owned or to be acquired by a Client (such as size or location), or the particular characteristics of services provided or differentiations in the quality of service (such as reliability, speed of execution, degree of specialization or experience of the service provider). For these reasons, such market comparisons may not result in precise market terms for comparable services, and the fact that one service or service provider may be "comparable" to another, or lower in cost, does not limit Gamut from choosing a different and/or higher cost service provider in the event that Gamut believes doing so can be expected to result in services that are of higher quality or otherwise better suited to the identified need. In many circumstances, Gamut can be expected to determine that third-party benchmarking is unnecessary, for example because in Gamut's view no comparable service provider offers such good or service (or an insufficient number of comparable service providers for a reasonable comparison exists), or because Gamut has access to adequate information (including from service providers to Gamut, its Clients or portfolio investments) or otherwise believes that it has sufficient experience to select a service provider without reference to third-party benchmarking.

*Ongoing Crisis in Ukraine.* On February 24, 2022, Russia launched a large-scale invasion of Ukraine marking the largest escalation of crisis in Ukraine to date. Although the Russian invasion and the conflict in Ukraine is ongoing and its long-term effects remain to be seen, the 2022 Russian invasion of Ukraine is likely to cause significant economic disruption and further calls from other countries for a severe sanctions regime that would seek to further isolate Russia from the world economy. In response to the Russian invasion of Ukraine in February 2022, the European Union, the United States, the UK and other

governmental entities have passed a variety of severe economic sanctions and export controls against Russia, including imposition of sanctions against Russia's Central Bank and largest financial institutions. In addition, a number of businesses have curtailed or suspended activities in Russia or dealings with Russian counterparts for reputational reasons. While current sanctions may not target Gamut, the Funds or their target investments more generally, these sanctions have had and may continue to have the effect of causing significant economic disruption and may adversely impact the global economy generally, and the Russian economy specifically by, among other things, creating instability in the energy sectors, reducing trade as a result of economic sanctions and increased volatility and uncertainty in financial markets, including Russia's financial sector. Additionally, any new or expanded sanctions that may be imposed by the United States, EU, UK or other countries may materially adversely affect Gamut's operations, including the Funds and their investments. In addition, one or more investors in the Funds could become subject to sanctions or similar restrictions, whether related to the Ukraine conflict or otherwise, which could result in a default by such investors or other adverse consequences to such investors or the Funds or their investments, including as it relates to the ability of the Funds to consummate investments or to obtain financing.

*Israel-Hamas Conflict:* In October 2023, Hamas militants and members of other terrorist organizations infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attack, Israel declared war against Hamas and commenced a military campaign against Hamas and other terrorist organizations in the Gaza Strip. In addition, there have been increasing numbers of attacks and other clashes between Israel and Hezbollah on Israel's northern border with Lebanon and in the West Bank, and the escalating conflict may in the future expand into a greater regional conflict or otherwise adversely impact other regions, as demonstrated by Houthi attacks on vessels traveling towards the Suez Canal. It has become increasingly difficult to predict the impact of these events or how long this conflict will last. The Israel-Hamas conflict and related events may significantly exacerbate the normal risks associated with the Funds and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) shipping and transportation costs and supply chain constraints; (iii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iv) demand for the types of investments made by the Funds; (v) available credit in certain markets; (vi) import and export activity from certain markets and capital controls; (vii) the availability of labor in certain markets; and (viii) laws, regulations, treaties, pacts, accords, and governmental policies. Such volatility may cause the risk of existing investments to differ significantly from Gamut's initial risk assessment, and affect Gamut's ability to assess the risk of investments going forward. Any of the foregoing could seriously and negatively impact the Funds' and their portfolio companies' operations and their ability to realize their respective investment objectives.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with Gamut's investment program or an investment in any fund or account advised by Gamut. Prospective clients and investors must consult their own advisers before deciding whether to make such an investment. Investors and prospective investors should carefully review the "Investor Considerations" section of the offering documents of the Funds. Such documents are**

**available only to current investors or prospective investors who are eligible to invest in such entities, as determined in the sole discretion of Gamut.**

### **DISCIPLINARY INFORMATION**

Gamut is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Gamut or the integrity of Gamut's management. Gamut has no such information to report.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Gamut and its management persons are not registered, and do not have an application pending to register, as a broker-dealer or registered representative thereof, or as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated person thereof. Except as described herein with respect to the General Partner and co-investors, Gamut does not have any material relationships with related persons listed in any of the specified categories of financial affiliates required to be disclosed by the SEC, nor does Gamut recommend or refer its clients to other investment advisers.

### **OTHER ACTIVITIES OF GAMUT AND RELATED PERSONS**

Gamut's personnel will work on other projects, including other future funds and other investment vehicles. In addition, Gamut's personnel could participate in the management of the investment activities of other funds or other investment vehicles concurrently with their obligations to the Funds. It is possible that the investments held by such other funds or other investment vehicles can be in competition with those of the Funds.

Conflicts of interest can arise because Gamut employees (including personnel dedicated to the Funds) will serve as directors, or management committee members, or in a similar capacity, of certain of the operating entities in which the Funds invests. In general, such director or similar positions are often important to Gamut's investment strategy and can have the effect of enhancing the ability of Gamut to manage investments. However, such positions can have the effect of impairing the ability of Gamut to sell the related securities when, and upon the terms, it may otherwise desire.

Trading by principals and personnel of Gamut (including through co-investment opportunities) is subject to Gamut's Code of Ethics and personal trading policy, which seeks to mitigate these potential conflicts of interest. See "*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*," below.

*Co-Investments.* As noted above in "*Types of Clients*," Gamut and its affiliates have established Co-Investment Vehicles and can in the future raise co-investment funds, and the existence of, and participation by Gamut and its affiliates in, such vehicles and funds can create conflicts of interest. These are addressed as described in "*Types of Clients*" above.

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

*Code of Ethics.* Gamut has implemented a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the standards of business conduct required of Gamut employees, personal securities trading procedures, and reporting of violations of the Code of Ethics, among other things. All supervised persons at Gamut are required to acknowledge the terms of the Code of Ethics annually, or as amended. Clients may obtain a copy of Gamut's Code of Ethics from Noah J. Leichtling, Gamut's Chief Compliance Officer.

Gamut's employees and persons associated with Gamut are required to follow Gamut's Code of Ethics in connection with their personal trading activities. Subject to satisfying this policy and applicable laws, officers, directors and employees of Gamut and its affiliates may be permitted to trade for their own accounts and participate in co-investment transactions involving securities that are purchased for clients, as described above in "*Other Financial Industry Activities and Affiliations – Co-Investments.*" The Code of Ethics is designed to assure that the personal transactions, activities and interests of the employees of Gamut will not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while at the same time allowing employees to invest for their own accounts. The Code of Ethics requires pre-clearance of certain transactions (including investments in private placements) for the personal securities accounts of Gamut's "access persons" by appropriate personnel of Gamut, and requires that the interests of clients be placed ahead of those of Gamut employees in their personal trading. Separately, each Fund's advisory board is required to approve investments by such Fund in certain transactions involving Gamut or an affiliate, which further mitigates the potential conflicts of interest related to such transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is regularly monitored under the Code of Ethics, in an effort to prevent conflicts of interest between Gamut and its clients.

As a matter of policy, Gamut does not cause one client to effect transactions in which such client purchases securities or other instruments from, or sells securities or other instruments to, another client (i.e., cross trades) or to Gamut or its principals or affiliates (i.e., principal trades), or in which Gamut or one of its affiliates acts as broker for both the client and the other party to the transaction (i.e., agency cross transactions).

### **BROKERAGE PRACTICES**

As described above, it is anticipated that the majority of the investment transactions entered into by Gamut on behalf of its clients will be privately negotiated investment or lending transactions with target companies. However, that Gamut will, from time to time, purchase or sell publicly traded securities on behalf of its clients, and in such instances, it will use the services of a broker-dealer or prime broker, and may also use broker-dealers in identifying and effecting the Funds' private investment transactions. In such event, Gamut (including, for purposes of this section, any affiliate thereof) will select the broker-dealers used to execute transactions on behalf of such client.



Gamut has discretion to select different brokers to be used for each transaction for their clients and to negotiate the rates and commissions its clients will pay. When engaging the services of brokers, Gamut may, subject to best execution, take into consideration a variety of factors, including, to the extent applicable, the ability to achieve prompt and reliable execution, competitive pricing, transaction costs, operational efficiency with which transactions are effected, access to deal flow and precedent transactions, and the financial stability and reputation of the particular broker, as well as other factors that Gamut deems appropriate to consider under the circumstances. Brokers may provide other services that are beneficial to Gamut and its affiliates, but that are not necessarily beneficial to the Funds, including capital introductions, other marketing assistance, client and personnel referrals, consulting services, and research-related services. These other services and items may influence Gamut's selection of brokers.

*Research and Other Soft Dollar Benefits.* Gamut currently has no soft dollar arrangements with any broker in connection with securities transactions undertaken on behalf of its clients. However, Gamut may receive proprietary research from broker-dealers used to execute securities transactions. To the best of Gamut's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. Gamut will not separately compensate such broker-dealers for the research and does not pay higher transaction costs to receive such services.

*Aggregation and Allocation of Client Orders/Investments.* As noted above, Gamut's investments on behalf of its clients do not customarily involve the execution of securities transactions by a broker-dealer or prime broker. With respect to the privately negotiated lending and investment transactions undertaken by Gamut, Gamut has an established methodology for the allocation of such investments. See "Other Financial Industry Activities and Affiliations."

## **REVIEW OF ACCOUNTS**

*Account Reviews.* The Funds have engaged a third-party fund administrator to provide day-to-day administrative and bookkeeping services to each of Funds. The investments of the Funds are regularly reviewed by Gamut's portfolio managers. In addition, the bookkeeping records maintained by the fund administrator are reconciled to Gamut's records by Gamut's operations personnel, under the supervision of the Chief Financial Officer, generally on a quarterly basis.

*Client Reporting.* Gamut will furnish audited financial statements annually to all investors in each of the Funds. On a quarterly basis, Gamut will provide an unaudited schedule of the holdings and capital account balance to each investor in the Funds.

Specific reviews and reporting to co-investors generally will be agreed upon between Gamut and the applicable co-investor.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

*Client Referrals.* In connection with a prior engagement with Greenhill & Co., LLC, a registered broker-dealer and FINRA member, as a placement agent, certain of the Funds

compensate Greenhill & Co., LLC for successfully soliciting potential investors for such Funds. Gamut may periodically engage other third party placement agents to introduce prospective investors to the Funds.

*Receipt of Compensation.* Gamut does not accept economic benefits from a person who is not a client for providing investment advice or other advisory services to the Funds. Gamut or its affiliates may receive directors' fees, monitoring fees, transaction fees, topping and break-up fees, advisory fees, organizational fees or other fees in connection with portfolio investments or prospective portfolio investments of the Funds. Typically, the management fees payable by each investor in the Funds will be reduced by its pro rata share of any such other fees received by Gamut or its affiliates in connection with portfolio investments or prospective portfolio investments of the Funds. *See "Fees and Compensation."*

## **CUSTODY**

Gamut has "custody" of the funds and securities of the Funds, and is generally expected to have "custody" of the funds and securities of its "co-investor" clients, within the meaning of Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). In light of the Funds' investment program and nature of "co-investments," it is anticipated that a substantial portion of the Funds' and the co-investors' assets will be invested in "privately offered securities," meaning securities that are acquired from the issuer in a transaction or chain of transactions not involving any public offering, and transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer. In addition, such privately offered securities are either (i) uncertificated, with ownership thereof recorded only on the books of the issuer or its transfer agent in the name of the Funds; or (ii) evidenced by a non-transferable stock certificate or "certificated" partnership or limited liability company interest (A) that cannot be used to effect a change in beneficial ownership of the underlying security, (B) the existence (or non-existence) of which does not impact the holder's ownership interest in such security, and (C) that can be replaced by the issuer if lost or destroyed because the holder's ownership of the relevant security is reflected on the books and records of the issuer or its transfer agent.

Privately offered securities of the type described above are not required to be held with a "qualified custodian," as defined under the Custody Rule. However, to the extent that the Funds or any co-investor client holds other funds or securities (not otherwise exempt from such requirement) of which Gamut is deemed to have "custody" under the Custody Rule, such funds and securities will be maintained at one or more "qualified custodians." A "qualified custodian" generally is a bank or savings association that has deposits insured by the U.S. Federal Deposit Insurance Corporation, an SEC-registered broker-dealer, a futures commission merchant or a foreign financial institution that holds segregated customer assets. An independent public accountant will audit the Funds (and, when Gamut has custody of a co-investor's funds or securities, the Co-Investment Vehicle) on an annual basis, and copies of the audited financial statements will be sent to the investors in the Funds (or Co-Investment Vehicle, as applicable), as described above in "*Review of Accounts.*"

## **INVESTMENT DISCRETION**

Gamut exercises discretionary authority over the accounts of the Funds. Gamut has received discretionary authority from the Funds at the outset of the advisory relationship through the constituent documents of the Funds, to select the investments and amounts to be bought or sold for the Funds. However, such discretion is to be exercised in a manner consistent with the stated investment objectives for the Funds and the Funds' governing documents. Gamut is similarly expected to exercise discretionary authority over the accounts of its co-investor clients, subject to such terms and objectives as may be agreed with each such client.

## **VOTING CLIENT SECURITIES**

Gamut has been delegated the authority to vote proxies with respect to securities owned by its clients. Gamut has conflicts of interest where Gamut or its principals have a substantial business relationship with the portfolio company and the failure to vote in favor of company management could harm Gamut's relationship with management. Conflicts also arise in the event a senior executive of a portfolio company and a principal of Gamut have a significant personal relationship that could affect how Gamut would vote on a matter relating to the portfolio company.

Gamut has implemented policies and procedures which Gamut believes are reasonably designed to (i) ensure that it votes proxies in the best interests of its clients and (ii) recognize and resolve any material conflicts of interest that may arise in the course of such voting. The general policy of Gamut is to vote proxy proposals, amendments, consents or resolutions relating to the Funds in a manner that serves the best interest of the Funds, as determined by Gamut in its discretion, and Gamut's Code of Ethics, taking into account relevant factors, such as (but not limited to) the impact on the value of the returns of the Funds and industry and business practice.

If Gamut determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, Gamut will take action in accordance with the governing documents of the Funds or as otherwise determined by Gamut to be in the best interest of the Funds in voting such proxy.

Clients may obtain a copy of Gamut's complete proxy voting policies and procedures and information about how Gamut voted any proxies on behalf of their account(s) by contacting Noah J. Leichtling, Gamut's Chief Compliance Officer.

## **FINANCIAL INFORMATION**

Gamut is required to provide you with certain financial information or disclosures about its financial condition. Gamut has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

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