

Galaxy Investment Management, LLC

**Form ADV Part 2A
Disclosure Brochure
March 2024**

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This Brochure provides information about the qualifications and business practices of Galaxy Investment Management, LLC (“**GIM**”) as well as of its affiliated “relying advisers”, Galaxy Realty Capital, LLC and Galaxy Realty Capital Holdings, LLC (collectively, the “**Relying Advisers**”, and together with GIM, “**Galaxy**”).

If you have any questions about the contents of this Brochure, please contact us at cschlicht@galaxy-funds.com. 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. Registration as an investment adviser does not imply a certain level of skill or training.

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

Item 2: Material Changes

This Item discusses material changes that are made to this Brochure since the last update. There have been no material changes to this Brochure since the last update in March 2023. This Brochure does reflect the following other changes:

- Item 4 was updated to reflect Galaxy's regulatory assets under management as of December 31, 2023.
- Other updates and clarifications to previous descriptions of policies and conflicts and/or risk disclosures.

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Item 4: Advisory Business

A. Description of the Firm

GIM and its Relying Advisers are Delaware limited liability companies established in 2014 and are primarily controlled by Mr. Seth B. Lipsay. The Relying Advisers are in a control relationship with GIM, are subject to a unified compliance program and are relying on GIM's registration under the Investment Advisers Act of 1940 (the "**Advisers Act**") and are not separately registering themselves. GIM together with the Relying Advisers and the general partners to the Private Funds (as defined below) are collectively referred to herein as "**Galaxy**".

Galaxy is comprised of a team of seasoned professionals with over 130 years of combined experience in commercial real estate lending and investing, with an average of 25 years of experience for the leadership team.

B. Types of Advisory Services

Galaxy provides investment advisory and management services to certain private investment funds investing directly or indirectly in real estate-related investments secured by or otherwise relating to commercial real estate-related assets and entities. The private investment funds include flagship funds co-sponsored by GIM (the "**Flagship Funds**") and a master fund in a master-feeder structure established as an insurance dedicated fund (the "**IDF**", together with the Flagship Funds, the "**Private Funds**"). The IDF is owned in its entirety by Sterling Realty Finance Fund VIP Series (the "**SRF Series**") Interest of the SALI Multi-Series Fund, L.P. (the "**SALI Fund**"). SALI Fund Management, LLC is responsible for investing the SALI Fund's assets, but has delegated certain discretionary and advisory powers to Galaxy with respect to the SRF Series. The SRF Series will invest solely in the IDF. Interest in the SRF Series will generally only be available to insurance carriers.

Galaxy is not currently involved in investments which are not related to real estate (other than for certain liquid securities acquired for cash management purposes for certain of the Private Funds).

Galaxy may form and act as investment manager or sub-adviser to similar privately offered funds or separately managed accounts in the future (the "**Affiliated Funds**").

From time to time, Galaxy will establish parallel and/or feeder funds or alternative investment vehicles, or other entities through which limited partners will make all or a portion of their capital contributions in the Private Funds or Affiliated Funds if Galaxy determines in its reasonable opinion, that such arrangements are expected to preserve in all material respects the overall economic relationship of such limited partners, taking into consideration applicable legal, tax, regulatory or other considerations.

Galaxy will offer co-investment opportunities to certain of the Investors in the Private Funds and Affiliated Funds and other third-parties, in each case, on such terms and conditions as determined by Galaxy in its sole and absolute discretion, but having no obligation to do so.

The services provided to the Private Funds in the capacity as the investment manager or sub-adviser include organizing and managing the Private Funds' business affairs; acquiring, financing and disposing of investments; preparing financial statements; preparing tax related schedules; and providing investor relations functions such as drafting, printing and distributing correspondence to investors and prospective investors.

C. Client Tailored Services and Client Tailored Restrictions

Galaxy manages each Private Fund based on the investment objectives and investment restrictions set forth in the limited partnership agreement or limited liability company agreement of each such Private Fund (together with any amendments thereto, each an **"Operating Agreement"**) and investment management agreement or sub-advisory agreement between us and each such Private Fund and/or the Private Fund's investment manager, as applicable (together with any amendments thereto, each a **"Management Agreement"**, and together with the Operating Agreement and the confidential private placement memorandum of a Private Fund (along with any applicable supplements), the **"Governing Documents"**). Certain investment restrictions are identified in the terms of the Private Funds' Governing Documents. Galaxy provides investment advice directly to the Private Funds and not individually to the investors in each Private Funds (the **"Investors"**). The Investors in the Private Funds are not advisory clients of Galaxy, but the Investors could impose restrictions on certain investments by the Private Funds for legal, regulatory or tax reasons.

D. Wrap Programs

Galaxy do not participate in wrap fee programs.

E. Assets Under Management

Galaxy manages the Private Funds' assets on a discretionary basis in accordance with the terms and conditions of the Private Funds' Governing Documents. As of December 31, 2023, Galaxy had regulatory assets under management of \$267,302,828.

Item 5: Fees and Compensation

A. Fee Schedule

Galaxy typically receives an annual management fee for advisory services provided to the Private Funds. Such fees are based on either committed capital, funded capital commitments or net asset value as more fully described in the Private Funds' Governing Documents. In addition, Galaxy, or an affiliate of Galaxy, is entitled to performance-based compensation, which may be in the form of carried interest or an incentive fee, in each case subject to the terms of the applicable Governing Documents. Galaxy may also be entitled to acquisition fees as outlined in the applicable Governing Documents. All investors in the Private Funds must be "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act. As a result, information regarding the fees and compensation payable by such investors is not required to be provided herein. Investors should refer to the Governing Documents for information regarding such fees.

Galaxy has and will, in its discretion, waive or reduce the management fee, performance-based compensation or transaction-based fees applicable to all or any of the Investors in each Private Fund or agree with an Investor to waive or alter the fees as to that Investor. From time to time, Investors in the Private Funds have and will have different fee arrangements. Galaxy (without any act, consent or approval of any limited partner) reserves the right, on its own behalf, or on behalf of a Private Fund, to enter into, deliver, perform, modify and terminate side letters or other written agreements or instruments to or with one or more investors which will have the effect of establishing different rights under, or altering or supplementing the terms of, an investment in the Private Fund. Any rights established, or any terms of an investment in a Private Fund altered or supplemented, in a side letter with an investor will govern such investor's investment in the Private Fund notwithstanding any other provision of the Private Fund's documents to the contrary.

From time to time pursuant to the terms of the Governing Documents and Galaxy's sole discretion, certain Investors or third parties may be presented with opportunities to co-invest in investments alongside the Private Fund. In connection therewith, Galaxy or any of its affiliates may charge management fees, performance-based compensation or other amounts to such investors or third parties who co-invest in such investments alongside the Private Funds. Such fees, performance-based compensation or other payments shall, in each case, be solely for the account of Galaxy or such affiliate, as applicable.

B. Payment Method

The management fees are typically calculated and paid quarterly in advance, subject to the terms of the Private Funds' Governing Documents. Performance-based compensation is generally paid in arrears, subject to the specific provisions set out in the applicable Private Fund's Governing Documents.

Management fees, performance-based compensation and transaction-based fees are paid to Galaxy or an affiliate of Galaxy by deducting such fees from the applicable Private Fund account.

C. Other Fees and Expenses

Each Private Fund is responsible for all of its organizational and offering expenses (the "**Organizational Expenses**") in connection with the formation of the Private Fund, including, without limitation, legal, travel and meals, accounting, tax, marketing, syndication and consulting, filing and printing, up to a maximum amount (the "Organizational Expense Cap") as set forth in the Operating Agreement. Unless the general partner of the Flagship Funds determines otherwise, the Flagship Funds will also be responsible for any placement agent or finder fees related to the offering of its interests. Such placement agent or finder fees will not be included in the calculation of the Organizational Expense Cap.

The Private Funds and any parallel fund, alternative investment vehicle and/or any vehicle through which the Private Funds may own investments (collectively, "**Investment Vehicles**") are responsible for all necessary expenses of their operation and administration including, without limitation the following (all such expenses, collectively, the "**Operating Expenses**"):

- (i) all costs and expenses incurred in sourcing, identifying, evaluating, developing, negotiating, syndicating, structuring and closing investments, whether consummated or not consummated, and acquiring, holding, operating, monitoring, financing, disposing of (or the proposed disposition of), valuation or otherwise dealing with investments, and the costs of rendering financial assistance to or arranging for financing for any assets or businesses constituting investments or for working capital or other permitted purposes;
- (ii) all costs and expenses, if any, incurred in monitoring investments;
- (iii) taxes of the Private Fund and/or any Investment Vehicles;
- (iv) costs related to litigation and threatened litigation involving the Private Fund and/or any Investment Vehicles;
- (v) expenses associated with third-party accountants, auditors, attorneys, servicers, appraisers, tax advisors and other professionals with respect to the Private Fund and/or any Investment Vehicles and their respective activities, costs associated with the distribution of financial and other reports to limited partners, costs to establish, maintain and utilize one or

more electronic portals or sites to provide or receive data and information relating to prospective and actual investments and parties relating thereto, and, in the case of the SRF Funds, costs associated with meetings of the Advisory Council (other than costs incurred by or solely associated with non-voting Advisory Council members which shall be borne by the limited partners appointing such non-voting member) and limited partners;

(vi) brokerage commissions and other investment costs incurred by or on behalf of the Private Fund and/or any Investment Vehicles and paid to third-parties;

(vii) all costs and expenses associated with obtaining and maintaining insurance for the Private Fund and/or any Investment Vehicles, and their assets and director and officer liability insurance to protect Galaxy and its officers and employees;

(viii) all costs and expenses associated with indemnifying certain indemnified parties;

(ix) fees incurred in connection with the maintenance of bank or custodian accounts;

(x) all expenses incurred in connection with the registration of the securities of the Private Fund and/or any Investment Vehicles under applicable securities laws or regulations;

(xi) all costs and expenses relating to the incurrence of indebtedness of the Private Fund and/or any Investment Vehicles; and

(xiii) all expenses of the Private Fund and/or any Investment Vehicles that are not normally recurring operating expenses.

From time to time, Galaxy or affiliates of the Private Funds will also provide services to the Private Funds or any subsidiary vehicle through which the Private Funds invest, including, without limitation, loan origination and servicing. To the extent any fees are paid by the Private Funds with respect to such services, the fees charged will be at least as favorable to the Private Funds as those generally available from similarly experienced and unaffiliated persons.

In addition, members or principals of Sterling Equities Associates and its and their Affiliates (the "Sterling Sponsor") are expected to provide real estate consulting or similar services with respect to investments by the Private Funds and receive fees in respect of such services in amounts and on terms that the Sterling Sponsor reasonably determines would be offered by the Sterling Sponsor to unaffiliated clients in respect of comparable services, and/or as is identified in the Private Funds' governing documents.

Operating Expenses, Organizational Expenses, broken or "dead" deal costs and expenses or other costs or expenses that relate to the Private Funds and/or an Affiliated Fund shall be allocated according to the allocation provisions set forth in the Private Funds' Governing Documents.

D. Prepayment of Fees and Refunds

The Management Agreements for the Private Funds have termination provisions as set out in each Private Fund's Governing Documents. Typically, Galaxy will be entitled to all accrued but unpaid management fees through the date of termination of the Management Agreement and will not be required to return any such management fees to the Private Fund or Investors in the event of termination of the Management Agreement.

E. Sales Compensation

Galaxy does not accept compensation in connection with the sale of interests in the Private Funds.

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

Galaxy, or an affiliate of Galaxy, receives performance-based compensation in the form of carried interest distribution or incentive fees from each Private Fund. Fees based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Advisers Act.

Performance-based compensation creates an incentive for Galaxy to cause a Private Fund to make investments that are riskier than it would otherwise make. To manage this potential conflict, Galaxy has adopted a number of compliance policies and procedures. These policies and procedures include (i) Galaxy's Code of Ethics (see Item 11), (ii) Galaxy's Compliance Manual, and (iii) policies which seek to ensure that each Private Fund is managed in accordance with its investment mandate.

Galaxy advises Private Funds with distinct but overlapping investment objectives. Galaxy is committed to allocating investment opportunities among the Private Funds on a fair and equitable basis and in a manner that is consistent with the investment objectives of the Private Funds and the terms of the Private Funds' Governing Documents.

The Private Funds are expected to vary greatly in size, investment periods and timing of capital inflows, among other factors. In allocating investment opportunities, Galaxy will take into consideration certain factors, including but not limited to, each Private Fund's investment and risk mitigation strategies, existing asset concentrations, strategies and remaining capacity for making capital calls to Investors for new investments (including, without limitation, taking into consideration such criteria as investment size and type, anticipated rate of return, expected reserve requirements, prevailing and expected economic conditions, geographic location, diversification requirements, geopolitical and other macro risk factors, and expected holding period), anticipated cash flows, tax considerations, whether the investment opportunity is a follow-on investment or upside to an existing investment, regulatory restrictions that would or could limit a Private Fund's ability to participate in a proposed investment, and other investment restrictions and guidelines. Galaxy may determine to allocate an investment opportunity among more than one Private Fund, in

accordance with the terms of the applicable Private Funds' Governing Documents, taking into account the aforementioned factors.

From time to time pursuant to the terms of the Private Fund Governing Documents and at Galaxy's sole discretion, certain limited partners or third parties may be presented with opportunities to co-invest in investments alongside the Private Funds. Such co-investments may or may not provide for investors or the third parties to make investments in underlying assets on substantially similar terms as are available to the Private Funds, and as such potential conflicts may be inherent in, or arise from, Galaxy's discretion in determining when, and to whom to make such opportunities available. In addition, once such co-investments are made, the Private Funds' interests and those of co-investing investors or third parties may subsequently diverge as market conditions shift or other opportunities become available.

In addition, the Private Funds may co-invest with affiliates of, or other accounts managed by, an affiliate. To the extent that the Private Fund makes such co-investments, Galaxy and its affiliates may be subject to conflicts of interest in their respective roles to the extent, if any, that the interests of the Private Fund and those of any such co-investor do not coincide.

Galaxy and its investment professionals and affiliates may provide investment advisory, sub-advisory, management and other services including, but not limited to, real estate related services and services in connection with mezzanine debt and preferred equity investments, to prospective clients (some of whom may also be affiliates of a limited partner), funds, investment vehicles and affiliates. Certain of those clients and funds may have the capacity and may desire to invest in or acquire the type of real estate investment opportunities that are within a Private Fund's objectives. Subject to any exclusivity obligations set forth in the Private Fund Documents, Galaxy will allocate investments and opportunities among Galaxy's prospective clients and funds and the Private Funds in accordance with established investment allocation policies and procedures and guidelines.

Item 7: Types of Clients

For a discussion of the Private Funds, please refer to Item 4 above.

Investors in certain of the Private Funds are required to make a minimum capital commitment to the Private Fund, although Galaxy has the right to waive this minimum investment requirement in its sole discretion.

Investors in the Flagship Funds are required to be "accredited investors" under Regulation D under the Securities Act, and "qualified purchasers" under Section 2(a)(51)(A) of the Investment Company Act.

Interests in the SRF Series are offered only to insurance companies or to insurance dedicated partnerships. An insurance company's investment in the SRF Series is typically on behalf of certain of their segregated separate accounts which support variable life insurance and variable annuity

contracts to be offered and issued by the insurance companies in private placements (collectively, the “Policies” and separately, a “Policy”). An investment in the SRF Series is designed to be an investment option under the Policies. Insurance companies that subscribe for interests in the SRF Series will be limited partners (“SRF Series Investors”) in the SRF Series. Each owner of a Policy (“Policy Owner”) is not a limited partner in the SRF Series and is not a client of Galaxy. Each SRF Series Investor in the SRF Series will ensure that all Policy Owners are accredited investors and qualified purchasers.

Galaxy requires investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment in the Private Funds.

Investors in the Private Funds may have conflicting investment, tax and other interest with respect to the Private Funds’ investments. As a consequence, conflicts of interest may arise in connection with decisions made by Galaxy that may be more beneficial for one investor than another investor. The results of the Private Funds’ activities may affect individual investors differently, depending on their different situations. In selecting and structuring investments for each Private Fund, Galaxy will consider the investment and tax objectives of the Private Fund as a whole and not the objectives of any investor individually. However, there can be no assurance that a result will not be more advantageous to some investors than to other investors.

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

A. Methods of Analyses

Galaxy has developed an investment process that is founded upon and incorporates a high degree of teamwork, institutional controls, checks and balances, risk management, oversight and efficient information management. Galaxy directs and implements all stages of a Private Fund’s investment strategy, portfolio construction and execution (from sourcing, underwriting and closing on purchases, through ongoing performance monitoring and ultimate harvesting).

Each Private Fund has an investment committee to review, consider and approve all investments and the financing of or disposition of such investments.

Galaxy’s investment team possesses an extensive network of local and national contacts and relationships, which makes sourcing potential borrowers and transactions efficient and productive.

Galaxy conducts due diligence on each aspect of a potential investment including a review of (i) the borrower and its principals and management team; (ii) the underlying property and its competitive market positioning, physical condition, legal status, prospective cash flow and value; (iii) the transaction’s proposed structure including rights and remedies of senior lenders, tenants and other relevant parties; and (iv) the likelihood and timing of the borrower’s exit strategies. Each potential

transaction undergoes credit underwriting and financial modeling based on the detailed work of the investment team and external experts including lead and local legal counsel, market researchers and analysts, structural engineers, environmental consultants, insurance advisors, and private investigators.

Investments in securities involve risk of loss that investors must be prepared to bear, including the risk of loss of the entire investment.

B. Investment Strategies

Investment Strategies

Galaxy provides investment advice relating to debt and preferred equity instruments and other real estate-related investments secured by or otherwise relating to commercial real estate-related assets and entities (which may include, without limitation, economic interests in any such assets and/or entities) located primarily in the United States.

The investment strategy for each Private Fund is more particularly described in the applicable Governing Documents.

C. Material Risks

Acquiring interests in a Private Fund is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with and can accept a potential loss of their entire investment. Investment risks specific to the investment strategy of each Private Fund are described in the applicable Governing Documents. Such risks may include (but are not limited to):

Long-Term Investment Horizon; Uncertain Timing for Asset Sales and Financings. Although Galaxy expects most investments to generate current cash flow and to pay off in accordance with their terms, it is possible that any cash flow will occur only after the partial or complete financing, refinancing or sale of an investment, delaying the return to limited partners. It is possible that the Private Funds may not encounter favorable financing, refinancing or sale terms for an investment, thereby reducing or eliminating the return. It is further possible that, at a Private Fund's termination, it may not be able to sell or finance remaining investments that it has purchased and, therefore, may make "in-kind" distributions or extend the term of the Private Fund.

Multi-sector Investment Strategy Risks. The Private Funds' strategy is to acquire assets across a variety of real estate product-types in a variety of geographic locations. This multi-sector 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 a single product-type in fewer jurisdictions than is contemplated by the Private Funds.

Risks Associated with Investing in a Variety of Capital Structures. The Private Funds' current strategy is to acquire assets using a variety of capital structures. This approach could require more management time, staff support and expense than would be experienced with a fund whose focus is dedicated to a greater extent on a single investment structure.

Originations and Secondary Market Acquisitions. The investment strategy is for the Private Funds to both originate investments and to make investments in the secondary market. The Private Funds' success hinges on their ability to successfully pursue these strategies.

Risk of Real Estate Assets. The Private Funds' investments will consist of various types of real estate Mezzanine Financings, all of which derive their cash flows and value from the performance of the commercial real estate underlying such investments and/or the owners of such real estate. Consequently, all of the target investments are subject to the risks of commercial real estate. Additionally, in the event that the Private Fund owns or becomes an owner of real estate, through foreclosure or otherwise, adverse changes in the operation of any property, the financial condition of the property, including the financial condition of any one tenant, could have a material adverse effect on the returns of the limited partners.

Commercial Real Estate. Commercial real estate properties tend to be unique and are more difficult to value than residential real estate properties. In addition, commercial real estate properties are generally subject to relatively greater environmental risks than non-commercial properties and to the corresponding burdens and costs of compliance with environmental laws and other regulations. Commercial real estate properties, and correspondingly the performance of Mezzanine Financings, are also typically subject to the effects of (a) the ability of tenants to make lease payments, (b) the ability of a property to attract and retain tenants, (c) interest rate levels and the availability of credit to refinance such loans at or prior to maturity, (d) compliance with regulatory requirements and applicable laws and (e) increased operating costs. Also, there may be costs and delays involved in enforcing rights of a property owner against tenants in default under the terms of leases with respect to commercial properties and such tenants may seek the protection of the bankruptcy laws which can result in termination of lease contracts. In addition, while commercial properties generally will carry comprehensive liability and casualty coverage, such coverage may not provide full protection for the value of the underlying property and may not protect against all casualty losses, including damage due to floods, earthquakes, hurricanes and terrorism.

Mezzanine Financing. The Private Funds' investments may include loans and/or preferred equity secured by one or more direct or indirect ownership interests in a company, partnership or other entity owning, operating or controlling, directly or through subsidiaries or affiliates, one or more commercial properties ("Mezzanine Financings"). Although not secured by the underlying real estate, Mezzanine Financings share certain of the characteristics of subordinate loan interests described herein. It is expected that the commercial properties owned by such entities are or will be subject to existing mortgage loans and other indebtedness. As with subordinate commercial mortgage loans, repayment of a Mezzanine Financing is dependent on the successful operation of the underlying commercial properties and, therefore, is subject to similar considerations and risks, including certain

of the considerations and risks described herein. Mezzanine Financings may also be affected by the successful operation of other properties, the interests in which are not pledged to secure the Mezzanine Financing. The entity ownership interests securing the Mezzanine Financings may represent only partial interests in the related real estate company and may not control either the related real estate company or the underlying commercial property. As a result, the effective realization on the collateral securing a Mezzanine Financing in the event of default may be limited. Limitations on realization on the collateral securing a mezzanine loan or the practical limitations on the availability and effectiveness of such a remedy may affect the likelihood of repayment in the event of a default.

“Stretch” First Mortgages. The Private Funds will, in some transactions, originate a “Stretch” first mortgage which will enjoy a first lien on the property, but includes a higher level of leverage that is more consistent with a Mezzanine Financing. While the Private Funds will generally seek to sell or finance the senior portion of any such “Stretch” first mortgage, with any excess spread and/or profit retained by the fund, to enhance the yield of the retained junior portion of the Mezzanine Financing, it may not be able to obtain such financing or consummate such sale, which could cause a higher concentration of risk in fewer underlying assets and/or a reduced yield on its investments.

Subordination of Investments. Many of the investments will be in subordinated positions. These investments will be subordinated to the senior obligations of the property or issuer. Greater credit risks are usually attached to these subordinated investments than to a borrower’s first mortgage or other senior obligations. In addition, these securities may not be protected by financial or other covenants and may have limited liquidity. Adverse changes in the borrower’s or the direct or indirect property-owning entity’s financial condition and/or in general economic conditions may impair the ability of the borrower or obligor, as applicable, to make payments on the subordinated securities and cause them to default more quickly with respect to such securities than with respect to the borrower’s senior obligations. In most cases, the Private Fund’s management of its investments and its remedies with respect thereto will be subject to the rights of the more senior lenders and contractual inter-creditor and recognition agreement provisions.

Junior Notes/Subordinate Loan Interests. The Private Funds may invest in junior notes, which investments are subordinate to the senior note portion of the same loan (which the Private Funds would not generally expect to hold). The junior portion of a loan is typically small relative to the overall loan, and vis-à-vis the senior portion of the loan is in the first loss position. As a means to protect against the holder of the senior note from taking certain actions or receiving certain benefits to the detriment of the holder of the junior note, the holder of the junior note often (but not always) has the right to purchase the senior note from its holder. If available, this right may not be meaningful to the Private Funds. For example, the Private Fund may not have the capital available to protect its junior note interest or purchasing the senior note may alter the Fund’s overall portfolio and risk/return profile to the detriment of the investors.

Risks of Making or Acquiring Real Estate and Participations Generally. The Private Funds may originate or acquire direct or indirect interests in real estate that at the time of their acquisition or

thereafter may be non-performing for a wide variety of reasons. Such non-performing real estate may require a substantial amount of workout negotiations and/or restructuring. It is possible that Galaxy may find it necessary or desirable to foreclose on collateral securing one or more real estate assets purchased by a Private Fund. The foreclosure process can be lengthy and expensive. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.

Special Risks Relating to Commercial Mortgage Loans. Commercial mortgage loans have certain distinct risk characteristics. Mortgage loans on commercial properties generally lack standardized terms, which may complicate their structure and increase due diligence costs. Commercial mortgage loans also tend to have shorter maturities than residential mortgage loans and are generally not fully amortizing, which means that they may have a significant principal balance or “balloon” payment due on maturity. Mortgage loans with a balloon payment involve a greater risk to a lender than fully amortizing loans because the ability of a borrower to make a balloon payment typically will depend upon its ability either to fully refinance the loan or to sell the property securing the loan at a price sufficient to permit the borrower to make the balloon payment. The ability of a borrower to effect a refinancing or sale will be affected by a number of factors. Commercial mortgage loans generally are non-recourse to borrowers. In the event of foreclosure on a commercial mortgage loan, the value at that time of the collateral securing the mortgage loan may be less than the principal amount outstanding on the mortgage loan and the accrued but unpaid interest thereon.

Investment in Distressed Assets. The Private Fund may make investments in under-performing or other distressed assets utilizing leveraged capital structures. By their nature, these investments will involve a high degree of financial risk, and there can be no assurance that the Private Fund’s rate of return objectives will be realized or that there will be any return of capital. There can be no assurance that the assets will perform, the borrowers will pay as expected, or, if defaulted, that the underlying assets will be able to be foreclosed upon and liquidated in a cost-effective manner.

Prepayments. The senior mortgage loans, junior notes and Mezzanine Financings may be subject to prepayment, which is affected by a number of factors. If prevailing interest rates for similar loans fall below the interest rates on such loans, the prepayment pace and the number of potential prepayments would generally be expected to increase. Conversely, if prevailing rates for similar loans rise above the interest rates on such loans, the prepayment pace and the number of potential prepayments would generally be expected to decrease. Certain of the loans may have lockout periods and/or defeasance periods during which prepayment is prohibited or require prepayment premiums or defeasance features to be paid upon a prepayment. Prepayments on the loans may also be affected by the value of the related collateral asset, the borrower’s equity in such asset, the financial circumstances of the borrower, fluctuations in the business operated by the borrower on the collateral asset, competition, general economic conditions and other factors. However, there can be no assurance that the loans will be prepaid at any particular rate.

Undiscovered Liabilities. Before making an investment, Galaxy will assess the strength of the underlying assets and other factors that Galaxy believes are material to the performance of the

investment. In making the assessment and otherwise conducting customary due diligence, Galaxy will rely on the resources available to us and, in some cases, certain investigations by third parties. This process is particularly important and highly subjective. There can be no assurance that due diligence processes will uncover all relevant facts that would be material to an investment decision.

Nature of Anticipated Transactions. Investment analyses and decisions by Galaxy and/or one of its affiliates may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities, and Galaxy may not have knowledge of all circumstances that could adversely affect an investment. In such cases, the information available at the time of the investment decision may be limited, and Galaxy may not have complete information regarding the investment asset(s). Therefore, no assurance can be given that Galaxy will have knowledge of all circumstances that may adversely affect an investment. In addition, Galaxy expects to rely upon input from third-party consultants and service providers in connection with their evaluation of proposed investments.

Use of Borrowings. The use of leverage (in the form of debt) may increase the potential for loss. The Private Funds may incur indebtedness in which recourse is not limited to specific assets of the Private Funds and indebtedness which is collateralized by more than one Private Fund asset, creating a situation where the Private Fund's investment in performing assets could be adversely impacted when those performing assets have been cross-collateralized with assets that become non-performing. Because many borrowings may be cross-collateralized by virtue of a borrower's position in the capital structure, it is likely that a Private Fund could experience concurrent foreclosures of multiple financed assets, accompanied by attendant losses upon lender liquidations. The Private Funds may also obtain a subscription line credit facility to finance its investments and pay expenses, secured by a pledge of the undrawn capital commitments from investors in the Private Funds. The underwritten target returns for such Private Fund's investments are dependent upon such an ability to use leverage, subject to certain limitations set forth in the applicable Private Fund's governing documents.

Lack of Marketplace Liquidity. The inability to obtain leverage or to obtain enough leverage on terms deemed appropriate by Galaxy could materially and negatively impact the Private Fund's ability to implement its strategy and seek its targeted returns. In addition, to the extent there is a lack of readily available and reasonably priced debt financing available to borrowers or potential purchasers of an investment, it could materially and negatively affect repayment or the number of potential purchasers and the prices purchasers are willing to pay to the Private Fund.

Embedded Leverage. The Private Funds expect to invest in subordinate debt and securities which contain "embedded" leverage arising in classes of securities or financial structures that carry junior priorities with respect to payments generated by a collateral asset or pool of assets. In such cases, subordinated tranches effectively obtain leverage, and derive enhanced returns, from the senior tranches – at the cost of an elevated exposure to the performance of an underlying collateral asset or asset pool and compounding the Private Fund's exposure to loss.

Risk of Bridge Financing. If the Private Fund makes an investment in a transaction with the intent of refinancing or being refinanced out of a portion of that investment, there is a risk that the Private Fund could have an unintended long-term Investment if such refinancing does not occur.

Lack of Liquidity of Investments. The investments to be made by the Private Funds are likely to be illiquid, and it is unlikely that there will be a public market for many of the investments held by the Private Funds. The Private Funds generally will not be able to sell its investments publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In some cases the Private Funds may be prohibited by contract from selling investments for a period of time. In addition, the types of investments held by the Private Fund may be such that they require a substantial length of time to realize.

Securitization of Assets. The Private Fund may securitize certain of its investments, including without limitation, through the issuance of, or other participation in, collateralized loan obligations or other securitization vehicles or structures (“Securitizations”). This may involve creating a special-purpose vehicle, contributing a pool of the Fund’s assets to the entity, and selling senior interests in the entity on a nonrecourse basis to purchasers. The Private Fund would be expected to retain a portion of the equity in the securitized pool of portfolio investments. The terms of any such Securitizations that the Fund may pursue may provide that the principal amount of collateral assets must exceed the principal balance of the related bonds by a certain amount, commonly referred to as “over-collateralization.” The terms of such Securitizations may provide, among other things, that if certain delinquencies and/or losses exceed the specified levels based on the analysis by the rating agencies (or any financial guaranty insurer) of the characteristics of the assets collateralizing the bonds, the required level of over-collateralization may be increased or may be prevented from decreasing as would otherwise be permitted if losses or delinquencies did not exceed those levels. Other tests (based on delinquency levels or other criteria) may restrict the Private Fund’s ability to receive net income from the assets collateralizing the obligations. Although the Private Fund may explore Securitizations throughout the life of the Private Fund, there can be no assurances that the Private Fund will participate in Securitizations, or that such Securitizations will be successful.

Valuations. In the case of many of the Private Funds’ assets, it is unlikely that readily available price quotations will exist. Instead, for each of the Private Funds’ assets, each asset will be valued at its fair market value based on appraisal reports by independent real estate appraisers (including members of the Appraisal Institute or an equivalent organization) or brokers’ opinions of value (from reputable licensed real estate brokers in the specific market in which such investments are situated) no less frequently than annually. Prospective investors should be aware that an appraisal or a broker opinion of value is only an estimate and is not a precise measure of realizable value. If the Private Funds were to liquidate a particular investment, the realized value may be more than or less than the reported valuation of such asset. Additionally, Galaxy has the authority to deviate from an independent appraiser’s valuation or broker’s opinion if it determines the valuation does not accurately reflect the fair value of the investment. Galaxy may have an incentive to select the highest potential value for these investments, and with respect to certain of Galaxy’s clients that are charged management fees or performance fees based on the net asset value of the Private Funds, would affect the calculation of

management fees or incentive fees paid to Galaxy. Galaxy has adopted valuation policies and procedures to address any such conflicts that arise with respect to valuation of the Private Fund's assets.

Timing and Terms of Dispositions. In the event the Private Funds own or become an owner of real estate through purchase, foreclosure or otherwise, there can be no guarantee the Private Funds would be able to sell any real property for the desired price or terms, or whether any price or other terms offered by a prospective purchaser will be acceptable. There is no assurance of the length of time needed to find a willing purchaser and to close the sale of a property. The Private Funds may not be able to sell a property "as is"; in other words, the Private Funds may be required to expend additional funds to correct defects, such as defects related to the environment, health or safety or maintenance or repair. The Private Funds may also be required to make improvements before a property can be sold. There is no assurance that the Private Funds will have funds available to correct defects or make improvements. Furthermore, the expenditure of funds to correct defects or make improvements may adversely affect the amounts available for investment by the Private Funds in other investments or the amount of cash available for distribution to the Investors of the Private Funds. In connection with the disposition of real estate, the Private Funds may be required to make or stand behind certain representations, warranties and indemnities about the property. These arrangements may create contingent liabilities for the Private Funds, for which reserves or escrow accounts may be established, or for which distributions to Investors could under certain circumstances be subject to being "clawed back".

Property Taxes and Risk of Property Reassessments. Real property owned by Private Funds' borrowers will be subject to real property taxes and, in some instances, personal property taxes. Such real and personal property taxes may increase as property tax rates change and as the properties are assessed or reassessed by taxing authorities. An increase in property taxes on the Private Fund's borrowers' real property could adversely affect the Private Fund's borrowers' results from operations and could decrease the value of that real property. Inflation Risk. It is possible that during the term of a Private Fund, there will be a period (which could be prolonged periods) of high rates of inflation in the United States economy, which could have negative effects on the United States economy and securities markets (both public and private) and could have a material adverse effect on the investments of the Private Funds. As of the date hereof, interest rates have increased significantly in the United States. The rapid increases in interest rates and the extreme reduction in available liquidity as a result of the Federal Reserve's policy initiatives have both put extraordinary pressure on the markets. Commercial property owners/investors face challenges in acquiring and/or refinancing their properties. This is particularly true in office properties, shopping malls and certain hotels, especially in CBD markets and in higher income tax states. For those lenders who have made loans in those segments and states, there are significant valuation concerns among their regulators and shareholders/investors. As such, regulated lenders, CMBS lenders, and highly leveraged commercial mortgage funds and REITS are curtailing loan originations and also focusing on their own non-performing and sub-performing assets. With supply chain and labor supply issues becoming more prominent of late, there are growing concerns about the effects of

inflation on various aspects of the US economy. With respect to the commercial real estate industry, Galaxy expects to see significant upward pressure on rents for housing and industrial space, but not necessarily on office, retail or hospitality properties. Wage pressure is expected to have a greater adverse effect on retail and hotel properties given the greater reliance on human resources in the service sector.

Risks Associated with Weather Caused Damage and Climate Change. Damage to real estate underlying the Private Funds' investments may be caused by extreme weather events, such as hurricanes and tornadoes, and other natural disasters. Some properties may be located in areas which are prone to these natural disasters, or which become prone to these natural disasters over time due to climate changes. For example, properties located in coastal regions could be affected by future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. Climate change is a long-term change in the statistical distribution of weather patterns over periods of time that range from decades to millions of years. It may be a change in the average weather conditions or a change in the distribution of weather events with respect to an average, for example, greater or fewer extreme weather events. Climate change may be limited to a specific region, or may occur across an entire continent or the entire world. There may be significant physical effects of climate change that have the potential to have a material effect on the Private Funds' investments.

Physical impacts of climate change may include increased storm intensity and severity of weather (e.g. floods or hurricanes); sea level rise; and extreme temperatures.

As a result, the Private Funds' investments may be vulnerable to the following: risks of property damage; indirect financial and operational impacts from disruptions to the operations of major tenants from severe weather; increased insurance premiums and deductibles, or a decrease in the availability of coverage, for properties in areas of severe weather; increased insurance claims and liabilities; increase in energy cost impacting operational returns; changes in the availability or quality of water, or other natural resources on which the tenant's business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g. warmer temperatures or decreasing shorelines could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic disruptions arising from the above.

Consideration of Environmental, Social and Governance Matters. Galaxy may from time to time consider environmental, social and corporate governance (or "ESG") matters when making decisions for the Private Funds and their investments. While Galaxy expects that in many cases ESG objectives may align with the investment and financial objectives of the Private

Funds, Galaxy does not intend for ESG considerations to be determinative when making investment decisions.

Political Risks. Investments may be subject to changing political environments, regulatory restrictions, and changes in government institutions and policies in the states, counties or cities in which the Private Funds make investments, any of which could adversely affect such investments. Actions in the future of one or more of the governmental authorities having jurisdiction over Investments in the Private Funds' portfolio could have a significant effect on market conditions, prices and yields of such Investments.

Terrorism Risks. The United States has been the target of terrorist attacks. Some of these terrorist attacks have resulted in, among other things, a disruption in financial markets and the economy generally as well as volatility in the international economic market. Future terrorist attacks and/or the anticipation of any such actions or response to them may have a further adverse impact on economic stability and the Private Funds' returns.

It is not possible to predict the severity of the effect that potential future terrorist attacks would have on the Private Funds. The Private Funds may suffer losses as a result of the adverse impact of any future attacks and these losses may adversely impact the Private Funds' performance and may cause the market value of the Private Funds' investments to decline. Losses resulting from these types of events may not be fully insurable.

Cybersecurity Risk. Galaxy relies on a wide range of information and technology systems, including hardware and software programs, in its operations and the implementation of each Private Fund's investment strategies. These information and technology systems may be susceptible to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, security breaches, and employee errors. Although Galaxy has implemented various measures to manage risks relating to these types of events, breach of these information systems may cause information (including personally identifiable information) to be lost or improperly accessed, used or disclosed.

Social Media. There has been a significant increase in the use of social media platforms, including blogs, social media websites and other forms of internet-based communications, which allow individuals to access an unfettered amount of information about the Private Funds, Galaxy or certain properties owned by the Private Funds or certain of such properties' tenants. The availability of information through these platforms is virtually immediate as is its impact, and such information may be posted at any time without affording an opportunity to redress or correct incorrect information in a timely manner. This information may be inaccurate and may cause reputation, brand image, goodwill, performance, prospects and business harm, which may ultimately adversely affect the Private Funds and their properties.

Data Privacy. Data privacy has become a high priority for regulators around the world. Many jurisdictions have enacted new laws and regulations relating to data privacy, cybersecurity

and protection of personal information, including the General Data Protection Regulation (GDPR) in the European Union that went into effect in May 2018 and the California Consumer Privacy Act (CCPA) that went into effect as of January 2020. Compliance with these new regulations, where applicable, may require the Private Funds or Galaxy to put in place relevant policies and procedures, which may increase operational and compliance costs. These new laws and regulations may, among other matters, require companies to disclose the intended use of certain types of personal data and to notify individuals of data security breaches involving certain types of personal data. Mandatory disclosures can be costly to implement and lead to negative publicity, which may cause counterparties and investors to lose confidence in the effectiveness of the company's data security measures. New and existing laws and regulations may impose other privacy related obligations on companies, and regulators' interpretations and approaches to enforcement of these laws and regulations continue to evolve over time. If the Private Funds or Galaxy fails to comply with applicable laws and regulations relating to data privacy and protection of personal information with respect to the Private Funds and/or their investments, it could result in fines or other penalties which may be material, and possible legal or regulatory proceedings by governmental authorities, counterparties or others.

Risks Associated with Disclosure of Confidential Information. Investors may include entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding the Private Funds, their investments and their investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. To the extent Galaxy determines in good faith that, as a result of such public records or similar laws, an Investor or any of its affiliates or agents may be required to disclose information relating to the Private Funds (other than information Galaxy has previously consented in writing that the Investors may disclose), Galaxy may, to the extent permitted by applicable law, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such Investor (other than certain basic Private Fund information). In addition, in order to comply with regulations and policies to which the Private Funds, Galaxy or service providers (including financial institutions) are or may become subject, or to satisfy regulatory or other requirements in connection with transactions, the Private Funds or Galaxy may be required to disclose information about Investors, including their identities.

Risk of Litigation. Investing in commercial real estate assets and entities and related interests, including distressed assets and subordinated debt can be a contentious and adversarial process. Different investor groups may have qualitatively different, and frequently conflicting, interests. The Private Funds' investment activities may include activities that will subject it to the risks of becoming involved in litigation by third parties with conflicting interests. The expense of defending claims against the Private Funds by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Private Funds and would reduce net assets and could require the Investors to return distributed capital and earnings to the Private

Funds. Galaxy and their affiliates will be indemnified by the Private Funds in connection with such litigation, subject to certain conditions.

Lack of Diversification. A concentration of investments secured by the same property types can increase the risk that a decline in a particular industry or business would have a disproportionately large impact on the Private Funds. Repayments by borrowers and the market value of the related mortgaged properties could be affected by economic conditions generally or specific to particular geographic areas or regions, and concentrations of properties in particular geographic areas may increase the risk that conditions in the real estate market where the property is located, or other adverse economic or other developments or natural disasters (e.g., earthquakes, floods, forest fires, tornadoes or hurricanes or changes in governmental rules or fiscal policies) affecting a particular region, could increase the frequency and severity of losses on loans secured by those properties. A concentration of investments with the same borrower or related borrowers also can pose increased risks (i) if a borrower that owns or controls several properties (whether or not all of them relate to investments by the Private Funds) experiences financial difficulty at one property, it could defer maintenance at another property in order to satisfy current expenses with respect to the first property; (ii) a borrower could also attempt to avert foreclosure by filing a bankruptcy petition that might have the effect of interrupting debt service payments on loans secured directly or indirectly by that borrower's properties for an indefinite period; and (iii) as properties owned by the same borrower or related borrowers are likely to have common management, common general partners and/or common managing members increasing the risk that financial or other difficulties experienced by such related parties could have a greater impact on the related loans. The Private Funds expects to have investments concentrated by property type, geography and/or related borrowers.

Risks Associated with Pandemics and Public Health Emergencies. Widespread outbreaks of contagious diseases, as was recently experienced with the COVID-19 pandemic, can and have disrupted businesses operating in many sectors of the U.S. and global economy, and in certain cases such disruption has had an adverse impact on the ability of real estate tenants and potential tenants to make their rental payments and meet other obligations with respect to their leases, resulting in increased vacancies, decreased demand for rental space and declining rental values. For example, the trends experienced during the COVID-19 pandemic had an adverse impact on the ability of certain real estate borrowers to service loans and repay principal amounts.

Contagious diseases, such as the COVID-19 pandemic, can result in a widespread health crisis that could severely disrupt global, national and/or regional economies and financial markets and cause an economic downturn that could adversely affect the performance of the Private Funds.

The short and long term impact of such public health emergencies, will depend on containment and other remedial measures, the impact of such public health

emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support 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 uncertain and cannot be predicted.

Banking Risks; Distress Events. An investment in the Private Funds is subject to the risk that one of the Private Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, improper or ineffective investment management or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Manager and/or the Private Funds may not be able to access deposits, borrowing facilities or other financial services for an extended period of time or ever.

Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes may pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event may have a material adverse effect on the ability of the Manager to manage the Private Funds and its investments, and on the ability of the Manager and the Private Funds to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Similarly, a Distress Event could have a material adverse effect on underlying borrowers, partners and other counterparties, which could indirectly result in significant losses on certain investments. In addition, a Distress Event could have a material adverse effect on the ability of investors in the Private Funds to fund their capital calls or other funding obligations, which could indirectly result in significant losses to the Private Funds.

Such losses have the potential to include requiring the Private Funds to pay fees and expenses in the event the Private Funds are not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of the Private Funds to acquire or dispose of investments at prices that the Manager believes reflect the fair value of such investments.

Although the Manager would expect to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Although the Manager seeks to do business with third-party banks and custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Private Funds, the Manager is under no obligation to use a minimum number of third-party banks or custodians with respect to the Private Funds, or to maintain account balances at or below the relevant insured amounts.

The Private Funds are subject to additional risks than those set forth above. Please see the Fund Documents of each Private Fund for additional risks associated with the Private Funds.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or potential client's evaluation of the firm or the integrity of the firm's management in this item.

Galaxy has no legal or disciplinary events to report.

Item 10: Other Financial Industry Activities and Affiliations

The General Partners of the Flagship Funds are affiliated with Galaxy. Neither Galaxy, nor any of its supervised persons have any relationships or arrangements with other financial industry providers that pose a material conflict of interest.

Please refer to Items 5, 6 and 11 with respect to certain conflicts of interest related to Galaxy's advisory business.

As detailed in Item 4, Galaxy has entered into a sub-advisory agreement with SALI to provide investment advisory services to the SRF Series .

Galaxy does not recommend or select other investment advisers to provide services to the Private Funds.

Item 11: Code of Ethics

A. Code of Ethics

Galaxy has adopted a code of ethics (the “**Code**”) which is applicable to all of Galaxy’s officers, principals, managers, members, associated persons and employees involved in the provision of investment advice (collectively, “**Associated Persons**”). The Code sets the standard of ethical and professional business conduct that are required of Associated Persons, requires Associated Persons to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by Associated Persons. Additionally, the Code sets forth the policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that Galaxy and each Associated Person owes to each advisory client.

The Code is circulated at least annually to all Associated Persons, and each Associated Person at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto.

Investors and prospective Investors may request a copy of the Code by contacting cschlicht@galaxy-funds.com.

B. Participation or Interest in Client Transactions

In general, Galaxy and its Associated Persons will not purchase any securities or assets for their own accounts from, or sell any securities or assets for their own accounts to, the Private Funds, without required approval in accordance with applicable regulations and the terms of the Private Funds’ Governing Documents.

Galaxy or an affiliate serves as the general partner, investment manager and/or investment adviser to the Private Funds. Galaxy has a material personal investment in each Private Fund through the general partner of each Private Fund and as limited partners of each Private Fund. Qualified Associated Persons will be permitted to own interest in the Private Funds either directly or indirectly. Galaxy does not believe that these investments create a conflict of interest with the interest of the Private Funds, but rather function to better align the interests of Galaxy and its Associated Persons with the interests of the Investor since its own capital is being invested alongside the Investors’ capital. By virtue of Galaxy’s capital investment in the Private Funds, Galaxy may be considered to participate, indirectly, in transactions effected for the Private Funds. The foregoing relationships, fees and any other actual or potential conflicts of interest arising therefrom are disclosed in the Private Funds’ Governing Documents.

C. Personal Trading

Galaxy does not anticipate co-investing with the Private Funds. However, Associated Persons may have direct and indirect investments of their own capital or other financial interests in the Private

Funds through, for example, direct investments, deferred compensation agreements, performance allocation and carried interests.

The Code addresses personal trading for Associated Persons. Included in the personal trading section is the requirement for all Associated Persons to pre-clear personal investments in initial public offerings, and private placements. It further requires Associated Persons to report their personal securities transactions on a quarterly basis and securities holdings on an annual basis.

D. Other Conflicts of Interests

When permitted by applicable law and subject to and in accordance with the terms of the Private Funds' Governing Documents, Galaxy may (i) cause a Private Fund to acquire or dispose of investments in cross trades between Private Funds or Affiliated Funds and (ii) effect principal transactions where Galaxy causes a Private Fund to purchase investments from or sell investments to Galaxy or any fund or account deemed to be controlled by Galaxy. There may be potential conflicts of interest or regulatory issues relating to these transactions which could limit Galaxy's decision to engage in these transactions for the Private Funds. In connection with a cross trade or a principal transaction, Galaxy and its affiliates may have a potentially conflicting division of loyalties and responsibilities regarding the Private Funds to trade and has developed policies and procedures in relation to such transactions and conflicts. Any cross trades or principal transactions will be effected in accordance with the Private Funds' Governing Documents, Galaxy's fiduciary requirements and applicable law.

Item 12: Brokerage Practices

A. Criteria for Selection of Broker-Dealers

In General—Brokerage Selection

The Private Funds do not typically conduct transactions in publicly traded securities requiring the use of a broker-dealer, other than for cash management purposes. When such transactions are required, Galaxy takes into consideration several factors to determine the brokers through whom securities transactions for the Private Funds are to be executed, including, but not limited to, price, cost, execution capability and trading expertise consistent with the effective execution of the transaction.

Galaxy does not intend to enter into soft dollar arrangements with any broker-dealer.

Galaxy does not consider, in selecting broker-dealers, whether the broker-dealer has referred clients to Galaxy or an affiliate and does not permit a client to direct brokerage to particular broker-dealers.

B. Aggregation of Orders/Allocation of Trades

As indicated in 12.A. above, the Private Funds do not typically conduct transaction in public securities and, accordingly, Galaxy does not expect to aggregate or “bunch” such orders across client accounts,

See Item 6. above for a description of Galaxy’s policies regarding allocation of private placements.

Item 13: Review of Accounts

A. Periodic Reviews

Galaxy monitors all Private Fund investments on an ongoing basis. Galaxy’s investment team meets regularly to review portfolio performance, portfolio diversification and investments generally.

B. Client Reports

Investors in the Private Funds receive such reports as are provided for in each Private Fund’s Governing Documents. Private Fund financial statements will be prepared in accordance with U.S. Generally Accepted Accounting Principles and will be distributed to investors after the end of each Private Fund’s fiscal year. Investors also receive quarterly reports containing information on the Private Fund’s portfolio holdings.

Galaxy may rely on information provided by third parties in preparing reports, and a third party may assist in preparing or distributing reports. To the extent reports include or rely upon information from another source, Galaxy will attempt to obtain such information from reliable sources; however, the accuracy of such information cannot be guaranteed. Reports may also include or rely upon fair value determinations made by us or a third party. While such valuations are made in good faith, their actual or empirical accuracy cannot be guaranteed.

Galaxy, in its sole discretion, may provide more frequent reports and/or more detailed information to all or any of the investors in the Private Funds.

Item 14: Client Referrals and Other Compensation

A. Compensation by Non-Clients

Galaxy does not receive compensation or any other economic benefit from anyone who is not a client for providing investment advice or other advisory services to the Private Funds.

Galaxy has marketing agreements with unaffiliated broker-dealers who act as placement agents for the Private Funds and identify and solicit qualified investors that may be interested in investing in

the Private Funds. The amount of placement agent fees paid to such placement agents and the frequency of payments vary based on the agreement.

B. Compensation for Client Referrals

Galaxy does not directly or indirectly compensate third parties for referring advisory clients. Pursuant to marketing agreements with unaffiliated broker-dealers, Galaxy or the Private Funds will compensate such broker-dealers for the referral of qualified investors for the Private Funds, if such qualified investors are in fact accepted.

Item 15: Custody

Galaxy is deemed to have custody, as defined under Rule 206(4)-2 under the Advisers Act, of funds or securities of the Private Funds. Galaxy relies on the “audit exemption” under Rule 206(4)-2(b)(4) under the Advisers Act, which exempts an adviser to a limited partnership, limited liability company or other pooled investment vehicle from the requirement to deliver account statements to its clients if the adviser requires the vehicle to be audited annually by an independent public accountant that is registered with the Public Company Accounting Oversight Board and distributes the audited financial statements prepared in accordance with U.S. GAAP annually to the investors in the vehicle within 120 days of the Private Funds’ fiscal year end.

Item 16: Investment Discretion

Galaxy has discretionary authority to manage the portfolios of the Private Funds pursuant to their investment objectives, as set out in the Private Funds’ Governing Documents. As applicable, consent from the Investors or the Advisory Council of a Private Fund is required for a Private Fund to invest in securities or interests outside of its investment objectives, or as otherwise indicated by a Private Fund’s Governing Documents.

Item 17: Voting Client Securities

The Private Funds invest in private real estate related assets. Investments in public securities will be limited in frequency and duration, and as such, Galaxy does not anticipate having authority to vote proxies. To the extent necessary, Galaxy would generally vote proxies (i) in favor of management’s recommendation for the election of the board of directors and (ii) to approve the financial statements as presented by management. Any other such proposals would be voted on a case-by-case basis taking into consideration any relevant facts and circumstances at the time of the vote.

Item 18: Financial Information

Galaxy does not require prepayment of management fees more than six months in advance and does not have any events requiring disclosure under this item of the brochure.