

Form ADV Part 2A: FIRM BROCHURE



**GILLSON
CAPITAL**

GILLSON CAPITAL LP

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This brochure (“Brochure”) provides information about the qualifications and business practices of Gillson Capital LP (“Gillson Capital” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (312) 667-4379 or mkalish@gillsoncapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Gillson Capital is registered as an investment adviser with the SEC. Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

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

Item 2 – Material Changes

There have been no material changes since Gillson Capital's last annual Brochure filing on March 31, 2023.

Gillson Capital routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry best practices and Firm practices. In this year's filing, the following Items have been updated:

- Item 4: updated to reflect discretionary assets under management as of March 26, 2024 and liquidation of the Gillson Capital Offshore Fund Ltd. as of March 28, 2024, and
- Item 8: updated description of risks and potential conflicts of interest.

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Item 4 – Advisory Business

Firm Description

Founded in December 2015, Gillson Capital LP, a Delaware limited partnership, together with its general partner (unless otherwise specified) (“Gillson Capital”, the “Investment Manager” or the “Firm”), is a hedge fund manager with a focus in the financial services sector. The Investment Manager employs a fundamental market and factor neutral long/short equity strategy focused on the global financial services sector. This approach includes identification of emerging trends, analysis of their impact at the sector and company level and understanding the motivations of consensus investors. Gillson Capital seeks to create a diversified portfolio of opportunities across financial subsectors based on compelling risk/reward ratios and idiosyncratic drivers.

Investment Advisory Services

Gillson Capital serves as the Investment Manager for and provides discretionary investment advisory services to the following investment clients: (i) Gillson Capital Master Fund LP, a Cayman Islands exempted limited partnership (the “Master Fund”), which is comprised of Gillson Capital Onshore Fund LP, a Delaware limited partnership (the “Onshore Fund”) (the Onshore Fund, also referred to as the “Feeder Fund” and together with the Master Fund, the “Fund”); and (ii) other private funds or sub-accounts of other private funds managed by unaffiliated third-party investment advisers (“Third-Party Funds” and together with the Fund, “Clients”). The Clients generally share the same investment objectives and investment strategies. The purpose of the Master Fund is to achieve certain administrative efficiencies; the Master Fund has no investors other than the Feeder Fund, the Fund’s general partner and certain Gillson Capital employees.

With regard to the management of the Fund, pursuant to the offering memoranda, private placement memoranda, investment management agreements, limited partnership documents and any other organizational documents and side letters (the “Governing Documents”), the Investment Manager is responsible for the Fund’s day-to-day management and has ultimate authority over all investment decisions, asset acquisitions and dispositions, distributions and Fund affairs generally, subject, as applicable, to the policies and control of the Fund general partner (the “General Partner”). Gillson Capital does not require, nor does it seek, approval from the Fund or the investors in the Fund with respect to its trading, nor does it accept investment restrictions imposed by such investors (although it is permitted, in certain circumstances, to exclude certain investors from certain investments made by the Fund). For more information about the Fund, or the General Partner, please see Gillson Capital’s Form ADV Part 1, Schedule D, 7.A.(1) and 7.B.(1).

With regard to the management of the Third-Party Funds, Gillson Capital’s authority is established with each such Client on a Client-by-Client basis and memorialized in an investment management agreement with each Client at the time of the commencement of the relationship. The Investment Manager is similarly responsible for the day-to-day management of the Third-Party Funds and does

not require, nor does it seek, approval from the Third-Party Funds with respect to trading for such Client. For more information about the Third-Party Funds, please see Gillson Capital's Form ADV Part 1, Schedule D, 7.B(2).

Investment advice is provided directly to the Clients and not individually to investors in the Clients. With regard to the Fund, while Gillson Capital does not tailor its advisory services to the individual needs of investors in the Fund, in order to comply with certain legal and regulatory requirements, there can be instances when an investor does not participate in an investment by the Fund (such as with respect to "new issues") and appropriate measures will be taken by the respective Fund to comply with such laws and regulations. In addition, in accordance with industry common practice, Gillson Capital has entered into side letters or similar agreements with certain Fund investors (generally including those who make substantial commitments of capital) that have the effect of establishing rights under, or altering or supplementing, the Fund's Governing Documents. Examples of side letter rights entered into include portfolio transparency rights, reduced fees and "most favored nations" protection. Side letter provisions are not always made available to all investors nor, consistent with general market practice, are they required to be disclosed to all investors. Side letter provisions are negotiated prior to investment and once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more investors will not in certain cases disadvantage other investors.

With regard to the Third-Party Funds, investment advice is tailored to the specific Client as negotiated and memorialized in their investment management agreement. Investors in the Third-Party Funds are permitted to customize the services obtained on their behalf.

Regulatory Assets Under Management

As of March 27, 2024, Gillson Capital has regulatory assets under management of approximately \$1,668,708,323, all of which are managed on a discretionary basis in Gillson Capital's sole discretion.

Principal Owners/Ownership Structure

The Investment Manager is owned by Gillson Capital (GP) LLC, a Delaware limited liability company, controlled by Daniel Johnson, the Firm's Founder and Portfolio Manager (the "Principal"). For more information about Gillson Capital's owners and executive officers, see Gillson Capital's Form ADV Part 1, Schedule A.

Item 5 – Fees and Compensation

The Fund

In consideration for the investment management services provided to the Fund, and pursuant to the Fund Governing Documents, the Master Fund pays to Gillson Capital (on behalf of each Feeder Fund) a monthly management fee equal to 0.1458% (1.75% annually) of the Master Fund's capital

account balance (the “Management Fee”) as of the beginning of each month. The Management Fee for Founders’ Interest investors was calculated at a rate of 1.75% annually during the first twelve-month period following a subscription, at a rate of 1.5% annually during the second twelve-month period following a subscription and is currently calculated at a rate of 1.25% annually. Management Fees are payable without regard to the overall success or income earned by the Fund. The precise amount of, and the manner and calculation of, the Management Fees for the Fund is described in full detail in the Fund’s Governing Documents received by each investor prior to making an investment in the Fund.

Gillson Capital, in its sole discretion, is permitted to reduce or waive the Management Fee with respect to any investor, and has done so with regard to the Principal and employees of the Investment Manager, immediate family members of such persons, and trusts or other entities established for their benefit.

Management Fees are deducted from the Funds on a monthly basis at the beginning of each month. Because Management Fees are paid monthly in advance and investors are only able to redeem interests at month end, subject to the terms of the Fund’s Governing Documents, a refund of any pre-paid Management Fees is not permitted. An investor requesting withdrawal from the Fund is subject to the provisions specified in the Fund’s Governing Documents, including a 4% redemption fee for withdrawals made prior to the end of an investor’s lock-up date.

As described in Item 6 below, the Investment Manager is also entitled to receive performance compensation (a “Performance Fee”) with respect to each calendar year (or other applicable period), typically 20% (or 17.5% in the case of Founders’ Interests) of net profits allocated to each Fund investor on an annual basis, payable at the end of each year or other period.

The Fund pays out of its assets all organizational, start-up and initial offering costs and expenses, including costs for background checks, investigations and other methods of evaluation, the costs and expenses incurred with respect to the preparation of the Governing Documents and a portion of the costs and expenses relating to the entry into contracts to which the Fund is a party, including, but not limited to, the administration agreement, custody agreement, brokerage agreement(s) and management and advisory agreements. The Fund amortized these expenses and its allocable portion of the organizational and initial offering expenses of the Master Fund for net asset value purposes over a period of sixty months, beginning with the date on which interests were initially issued.

In addition to the Management Fee and Performance Fee, the Fund pays out of its assets all of its ordinary and extraordinary expenses which include, but are not limited to: (i) routine legal, accounting, valuation (including the costs of valuation providers and related expenses), auditing, tax preparation and planning, insurance, printing, computer, postage and similar fees and expenses (including the fees and expenses incurred by the General Partner in its role as the tax matters partner or the partnership representative); (ii) fees and expenses of the administrator, the custodian(s), any sub-administrator(s), sub-custodian(s), the directors and other service providers (including certain out-of-pocket expenses); (iii) expenses associated with the continued offering of interests in each applicable jurisdiction and

filing and other fees related to such offerings; (iv) interest, commitment and other fees in connection with borrowings; (v) transaction-related expenses, including brokerage fees, custody charges, costs relating to the use of order management and execution systems and services and other transaction-related costs and expenses in connection with its trading and investment activities; (vi) research and due diligence related expenses, including related consulting fees, travel, background investigations, subscriptions, databases, legal fees, fees for data processing, data aggregation and risk reporting, but not including the day-to-day and ordinary expenses of the General Partner or the Investment Manager; (vii) government filing fees and expenses of the Investment Manager relating to the Investment Manager's filing obligations in respect of the Fund (including Form PF, Form 13F, Form CPO-PQR, Form CTA-PR, Treasury forms or other forms or filings required to be prepared and/or filed under the Investment Advisers Act of 1940 (the "Advisers Act"), the Commodities Exchange Act, the rules of the National Futures Association and the rules of any central clearing organization or similar entity or any similar laws); (viii) the costs of Bloomberg terminal usage and related Bloomberg exchange fees; (ix) extraordinary expenses (*e.g.*, litigation costs and indemnification obligations) that the Fund incurs; and (x) any other expenses related to its ongoing operation.

The Fund's investors also bear the costs of certain products and services received by the Investment Manager that constitute "brokerage and research services" under Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), as described in Item 12 below. The Fund typically pays for these products and services directly and/or through "soft dollar" or client commission agreements that fall under the safe harbor for such services established by Section 28(e).

The Fund will not bear any of the internal operating costs and overhead expenses of Gillson Capital, such as employee salaries and bonuses, rent, utilities and other similar items.

The Principal and other employees of Gillson Capital receive a portion of the Management Fees and Performance Fees received by Gillson Capital and/or the General Partner.

Other Clients

Third-Party Fund Clients' Management Fees and expenses are determined on a Client-by-Client basis as memorialized in each Client's investment management agreement. Gillson Capital is permitted, in its sole and absolute discretion, to elect to waive, reduce or calculate differently some or all of its Management Fee with respect to the Third-Party Funds.

The investment management agreement with each Third-Party Fund Client contains a written authorization which permits Management Fees and Performance Fees to be deducted directly from each Third-Party Fund account by Gillson Capital; Gillson Capital sends an invoice to each Third-Party Fund Client and their custodian showing the amount of Management Fees and Performance Fees due, the account value on which the fee is based and how the fee was calculated.

The Third-Party Funds also bear the costs of certain products and services received by the Investment Manager that constitute "brokerage and research services" under Section 28(e) of the U.S. Securities

Exchange Act of 1934, as amended (the “Exchange Act”), as described in Item 12 below. The Third-Party Funds typically pay for these products and services directly and/or through “soft dollar” or client commission agreements that fall under the safe harbor for such services established by Section 28(e).

The Third-Party Funds will not bear any of the internal operating costs and overhead expenses of Gillson Capital, such as employee salaries and bonuses, rent, utilities and other similar items.

The Principal and other employees of Gillson Capital receive a portion of the Management Fees and Performance Fees received by Gillson Capital from the Third-Party Funds.

Similar to Management Fees, redemption terms and lock-up provisions are negotiated with each Third-Party Fund on a Client-by-Client basis.

Expense Allocation

In good faith and in its fair and reasonable discretion, Gillson Capital determines on a case-by-case basis whether an expense should be borne by the Investment Manager or by the Clients in accordance with the Governing Documents of each Client and with Gillson Capital’s internal policies and procedures. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Client, Gillson Capital will typically allocate common Client expenses among multiple Clients pro rata based on gross assets under management as of the beginning of each month in which the expenses are paid, unless another method is more equitable, or as otherwise required by the terms of the underlying Governing Documents applicable to such Clients. Where one or more Clients to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Client will be borne by Gillson Capital.

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

The Fund

The Master Fund establishes a separate series of interests for each investor and each contribution to a Feeder Fund (each, a “Master Fund series”). As of the last calendar day of each Performance Period (as defined below), the Master Fund will allocate 20% (or 17.5% in the case of Founders’ Interests) of that Performance Period’s Appreciation (as defined below) in respect of each Master Fund series to the Investment Manager.

With respect to each Master Fund series, each Performance Period will begin on January 1 and end on the earlier of: the following December 31, the effective date of any withdrawal corresponding to such Master Fund series, the effective date of any Transfer (as defined below) corresponding to such Master Fund series and the date of dissolution of the Master Fund. The last day of each Performance Period is referred to as a “Performance Fee Date.”

“Appreciation” for each Performance Period will be equal to the increase in the net asset value of a Master Fund series for such Performance Period after allocation of all fees and expenses in respect of the Fund and its allocable portion in respect of the Master Fund (including, without limitation, any Management Fee), but prior to reduction for any accrued Performance Fee. For purposes of determining the Performance Fee due on a Performance Fee Date, “Appreciation” will include the value of any instruments held (directly or indirectly) by the Master Fund, net of any withholding, sales, use, stamp or other tax assessed (directly or indirectly) against, or required to be withheld by, the Fund, the Master Fund or any trading vehicle with respect to such instrument.

For purposes of tracking the Performance Fee payable as of any Performance Fee Date, the Master Fund maintains a “loss carryforward” account for each Master Fund series. The initial balance of each “loss carryforward” account (the “Loss Carryforward Balance”) is equal to \$0. If, as of any Performance Fee Date, the value of a Master Fund series has experienced a net loss during the Performance Period, the Loss Carryforward Balance will be increased by the amount of such net loss. If, as of any Performance Fee Date, the value of a Master Fund series has experienced a net gain during the Performance Period, the Loss Carryforward Balance will be decreased by the amount of such net gain. The foregoing calculations are determined on each Performance Fee Date after allocation of gains and losses but prior to any Performance Fee being made.

In addition, the Loss Carryforward Balance will be adjusted for each Master Fund series in accordance with the following:

- If a withdrawal or distribution is made in respect of such Master Fund series, such Loss Carryforward Balance shall be proportionately reduced to an amount equal to (x) such Loss Carryforward Balance multiplied by (y) a fraction, the numerator of which is the balance of such Master Fund Series immediately following such withdrawal or distribution and the denominator of which is the balance in such Master Fund series immediately prior to such withdrawal or distribution; and
- If an investor transfers a portion of the balance of such Master Fund series, the Loss Carryforward Balance for such Master Fund series shall be proportionately reduced to an amount equal to (i) such Loss Carryforward Balance multiplied by (ii) a fraction, the numerator of which is the balance of such Master Fund series immediately following such transfer and the denominator of which is the balance in such Master Fund series immediately prior to such transfer.

This fee arrangement is described in detail in each Fund’s Governing Documents and has been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. Investors are provided with clear disclosure as to how Performance Fees are charged and the risks associated with such Performance Fees prior to making an investment. The General Partner is permitted, in its sole and absolute discretion, to waive, reduce or calculate differently some or all of its Performance Fee with respect to

certain investors, and has done so with regard to investors that are principals or employees of Gillson Capital, immediate family members of such persons, and trusts or other entities established for their benefit.

It is possible that the Performance Fees received by the General Partner creates an incentive for riskier or more speculative investments than would be the case in the absence of such Performance Fees because these investments have the potential to allow Gillson Capital to collect larger Performance Fees. However, the Firm believes this incentive is sufficiently mitigated due to the fact that: (i) any losses the Fund sustains will reduce the General Partner's Performance Fee; (ii) the Performance Fee is generally calculated only when the Appreciation with respect to a Master Fund series is positive; (iii) any such risks would be equally applicable to the accounts of the Principal, employees and the General Partner (to which the Principal and employees have committed a substantial amount of capital in the Fund, thus aligning, to some extent, the interests of Gillson Capital (and its Principal and employees) with the interests of the Fund); and (iv) Gillson Capital's ability to attract future investors is tied to the performance of its investments.

Gillson Capital manages multiple Clients with similar investment strategies on a side-by-side basis. Management of Clients on a side-by-side basis has the potential to create conflicts of interest with regard to Gillson Capital's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. These conflicts of interest can create an incentive for the Firm or its personnel to favor a Client in which Gillson Capital or an affiliate has a greater financial interest. Generally, however, Gillson Capital manages all Clients on a *pari passu* basis. To the extent there is a potential conflict of interest, to minimize such potential conflicts of interest, Gillson Capital allocates investment opportunities which satisfy the investment parameters of more than one Client in accordance with the applicable Governing Documents and taking into consideration certain factors as determined in the Firm's sole discretion. Gillson Capital's procedures are designed to ensure that all investment decisions are made in accordance with Gillson Capital's fiduciary duties to its Clients and without consideration of Gillson Capital's (or its affiliates' or employees') pecuniary interest.

Gillson Capital is prohibited from basing an investment allocation decision on any of the following, or similar, reasons: (i) to generate higher fees paid by one Client over another, or to produce greater fees to the Firm or any of its affiliates; (ii) to develop a relationship with an existing or prospective investor; (iii) to compensate investors for past services or benefits rendered to the Firm or any employee of the Firm; or (iv) to induce future services or benefits to be rendered to the Firm or any employee of the Firm.

Other Clients

Third-Party Fund Clients' Performance Fees are calculated on a Client-by-Client basis as memorialized in each Client's investment management agreement. Gillson Capital is permitted, in its sole and absolute discretion, to waive, reduce or calculate differently some or all of its Performance Fee with respect to certain Clients.

Item 7 – Types of Clients

Gillson Capital provides investment advice to private funds, both its own sponsored private Funds and to other third-party investment advisers' private funds. The Clients are not registered or required to be registered under the Investment Company Act of 1940 (the "Investment Company Act"); are not made available to the general public; their securities are not registered or required to be registered under the Securities Act of 1933 (the "Securities Act"); and Client interests are privately placed to qualified investors. Qualified investors include individuals or entities to which Client interests are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to Gillson Capital and/or the Clients. Each Client limits its investors to persons who are both "accredited investors" as defined in the Securities Act and "qualified purchasers" or "knowledgeable employees" as defined in the Investment Company Act. Investors must meet certain suitability and net worth qualifications prior to making an investment. Minimum contributions for investment are generally \$5 million, although commitments of less than \$5 million have also been accepted at the sole and absolute discretion of Gillson Capital and/or the Offshore Fund board of directors, as applicable.

Investors in the Clients include, among others, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trust programs, fund of funds, foreign funds and other U.S. institutions. In addition, the Principal and employees have made capital contributions to the Fund, either through the General Partner or directly as investors in a Fund.

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

Methods of Analysis

The investment objective of the Investment Manager is to achieve superior risk-adjusted total returns by employing a fundamentally driven, market neutral, factor constrained long/short equity strategy focused on the global financial services sector.

The Clients employ a long/short investment strategy by taking long and short equity exposure in sub-sectors within the financial services sector that exhibit high return potential and low correlation to each other by identifying emerging trends, analyzing their impact at the sector and company level and understanding the positioning of consensus investors. Potential securities in which the Clients invest include, but are not limited to, common stock, preferred stock, securities issued by other investment companies, convertible securities, depositary receipts, exchange traded funds, warrants to buy common stocks and derivatives on any of the forgoing securities of U.S. or non-U.S. issuers of any market capitalization located in global developed markets. The Investment Manager considers global developed markets to be those countries included in the MSCI World Index. Although the Investment

Manager does not limit its investments to any one country, the Clients expect to invest primarily in the United States.

Investment Strategy

Idea Generation: The Investment Manager invests in financial services companies that it expects to be subject to value catalysts such as industry developments, regulatory changes, changes in management and companies that can benefit from sustainable long-term economic dynamics such as globalization of a profitable new business or increased focus on productivity or enhancement of services. The Investment Manager is permitted to sell short equity securities of a company that it believes: (i) is overvalued relative to normalized business and industry fundamentals or to the expected growth that the Investment Manager believes the company will achieve; (ii) has a faulty business model; (iii) engages in questionable accounting practices; (iv) has earning estimates that the Investment Manager believes are too high; (v) sees multiple contractions; or (vi) is not adapting to change in technological, regulatory or competitive environments.

The Investment Manager generates investment ideas from a variety of different sources. These include, but are not limited to, unique databases and under-utilized sources, information from models and company management meetings, attending industry conferences and trade shows, including those typically overlooked by Wall Street, and the use of a network of sector contacts to uncover emerging disruptive trends and as a sounding board for investment ideas.

Research and Analysis: The Investment Manager leverages deep sector experience to understand how the subsector trends impact individual companies and performs fundamental investment analysis, which can involve comparing the value of a company's common equity to that of its historical and/or expected cash flows; historical and/or expected growth rates; historical and/or expected strategic positioning; and historical and/or current valuation on an absolute basis or relative to its sector, the overall market and/or historical valuation levels.

Investment Selection: The Investment Manager makes investment decisions based on its analysis of a security's value and also takes into account its view of macroeconomic conditions and industry trends. The Investment Manager invests or sells short a company's equity based on the company's risk/reward profile, time horizon and liquidity, as well as the correlation between the company's industry and the industry's drivers.

Portfolio Construction: In constructing the portfolio, the Investment Manager is not constrained by sub-sector allocation or market capitalization within the sub-sectors. The Investment Manager constructs the portfolio largely based on themes that underly the specific sub-sectors. These themes, for the most part, consist of changes in industry structure, changes in global politics and economics and regulation or legislation that could have significant effects on industry earnings and growth rates. The Investment Manager targets a number of themes at any given time and seeks to express each theme across multiple investments to reduce idiosyncratic risk in the portfolio. Thus, the Investment Manager seeks to run a portfolio that is fairly concentrated thematically while also carrying

idiosyncratic diversification. The Investment Manager believes that the thematic approach aids in attempting to build an optimized and unified portfolio, as opposed to simply a collection of unrelated investments. On an on-going basis, the Investment Manager reevaluates price targets, sizing and expected returns for each investment to ensure that the portfolio is optimized in the context of current market conditions.

Risk Factors

An investment in any Client entails substantial risks, including, but not limited to, the possibility of a complete loss of the amount invested. Current and prospective Gillson Capital investors should carefully consider the following factors, among others, in determining whether an investment in a Client is suitable for them. It is possible different or new risks not addressed below will arise in the future and, therefore, the following list is not intended to be exhaustive. There are many market-related and other factors – some of which cannot be anticipated – that can potentially result in an investor losing a major portion or all of its investment in a Client or prevent a Client from generating profits. Investors should refer to a Fund’s Governing Documents for a description of the risk factors specific to their Fund or investment vehicle. No investor should invest with Gillson Capital unless the investor is fully able, financially and otherwise, to bear such a loss, and unless the investor has the background and experience to understand thoroughly the risks of its investment.

All investors should be aware of certain risk factors, which include, but are not limited to, the following:

General Risks

Risk of Loss; Limited Past Performance: Investors can lose all or substantially all of their investment. The past performance of the Investment Manager’s Funds or strategies is not necessarily indicative of future results. There can be no assurance the Clients will achieve their investment objective.

Nature of Investments: The Investment Manager has broad discretion in making investments for the Clients. There can be no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments are often volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, can significantly affect the results of the Clients’ activities and the value of its investments. In addition, the value of the Clients’ portfolio often fluctuates as the general level of interest rates fluctuates. No guarantee or representation is made that the Clients’ investment objective will be achieved.

General Market Risks. The Clients’ investment strategies are subject to some dimension of market risk, including directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, “flights to quality,” “credit squeezes,” etc. The Investment Manager’s style of alternative investing is expected to be no less speculative than traditional investing strategies. Due in part to the degree of leverage which a Client employs and the

leverage embedded in the derivative instruments in which such Client invests, it is possible a Client from time to time will incur sudden and dramatic losses.

The particular or general types of market conditions in which a Client incurs losses or experiences unexpected performance volatility cannot be predicted, and it is possible a Clients will materially underperform other investment funds with substantially similar investment objectives and approaches.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private fund industry. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds. Any such changes are expected to materially impact Gillson Capital, the Funds and/or the investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Clients' activities, including the ability of the Clients to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

Geopolitical Risks and Force Majeure. An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. U.S. military actions around the globe; the threat or occurrence of terrorist attacks in the future; rising oil, energy and other commodity or material prices (including those resulting from the unavailability thereof); and the United States' military, economic and political responses to terrorism all can have material consequences on the U.S. and global economies. Gillson Capital is not able to predict the extent, severity or duration of the effect of any past or future terrorist attacks and related events or quantify the impact that these events can have on investment objectives or the markets where an underlying Client investment will be located. For example, the continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for certain commodities and could affect certain portfolio companies' financial results.

Financial Institution Risk. The Funds make investments in publicly traded financial institutions, some of which can and have experienced insolvency, closure, receivership or other financial distress or difficulty. Any such distress events can have a potentially adverse effect on the Clients.

Volatility: The prices of the securities traded by the Clients have been subject to periods of excessive volatility in the past, and such periods can be expected to recur. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements, commodities prices, event probability, credit spreads and general economic and political conditions. While volatility can create profit opportunities, it can also create the specific risk that historical or theoretical pricing relationships will be disrupted, causing what should otherwise be comparatively low risk positions to incur significant losses. On the other hand, the lack of volatility can also result

in losses for certain positions that profit from price movements. Depending on the specific circumstances, it is possible that the investment strategies utilized by the Clients will not employ substantial hedging techniques and/or will employ leverage, both of which can lead to increased volatility of the Clients' net asset value given the volatility of some of the Clients' holdings.

Stagnant Markets: Although volatility is one indication of market risk, certain of the investment strategies employed by the Investment Manager rely for their profitability on market volatility contributing to the mispricings that they are designed to identify. In periods of trendless, stagnant markets and/or deflation, many alternative investment strategies have materially diminished prospects for profitability.

Lack of Liquidity/Valuation: Certain instruments traded by the Clients may have limited liquidity. Lack of liquidity can make it difficult or impossible for the Clients to purchase or sell securities at desired prices or in desired quantities, as a result of which, among other things, it would be economically unfeasible for the Clients to recognize profits on open positions or to close out open positions against which the market is moving. In particular, sales of illiquid instruments are often only possible at a substantial discount. In addition, such instruments are often difficult to value, and illiquidity can disconnect market values from the historical pricing indicators used in investment analysis, as the fewer transactions that take place the greater the risk of market values not reflecting true pricing relationships or fair value.

Concentration: It is anticipated that the Clients' portfolio will at times be relatively concentrated with respect to types of securities and issuers. In addition, the Clients' investment portfolio at times will be relatively concentrated with respect to a particular geographic market or markets. Even where the Clients' investment portfolio is not concentrated with respect to particular geographic markets, from time to time multiple geographic markets could move in tandem against the Clients' positions, and the Clients could suffer substantial losses. Accordingly, it is possible that the Clients' investment portfolio will be subject to more rapid change in value than would be the case if the Clients were required to maintain a wider diversification among types of securities, issuers and geographic areas.

Implementation of Similar Strategies by Other Accounts of the Investment Manager: The Investment Manager expects to implement similar strategies on behalf of several Gillson Capital Clients, including the Third-Party Funds, although the implementation of such strategies can sometimes vary from that of the Fund, including without limitation, with respect to the asset classes and geographical regions invested in and/or the leverage employed. From the standpoint of the Fund, simultaneous identical portfolio transactions for the Fund and one or more other Gillson Capital Clients have the potential to decrease the prices received, and increase the prices required to be paid, by the Clients for its portfolio sales and purchases. If one or more other Gillson Capital Clients liquidate positions in which the Fund is also invested, such liquidations could have an adverse effect on the Fund and/or Clients' positions, potentially causing substantial losses.

Material Nonpublic Information. From time to time, Gillson Capital and its personnel or affiliates may come into possession of confidential or material nonpublic information concerning specific

companies, including as a result of touchpoints with portfolio companies or publicly-traded competitors, suppliers or vendors of such portfolio companies or prospective portfolio companies. Under applicable securities laws, this may limit the relevant Gillson Capital's flexibility to buy or sell securities issued by such companies. A Client's investment flexibility may be constrained as a consequence of Gillson Capital's inability to use such information for investment purposes, and a Client may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Gillson Capital's internal policies and procedures. Due to these restrictions, a Client may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold. Gillson Capital anticipates that, to avoid such restriction, it may elect not to receive such nonpublic information. As a result, a Client, at times, may receive less information regarding such portfolio company than is available to the other investors in such portfolio company, which may result in the Client taking actions or refusing to take actions in a manner different than had it received such nonpublic information.

Use of Expert Networks and Data Analytics. In connection with the evaluation of potential investment opportunities, Gillson Capital on occasion engages expert networks and/or makes use of data analytics, including data provided by third-party vendors. Gillson Capital seeks to avoid inadvertently obtaining confidential information from such sources and has therefore implemented policies and procedures to mitigate the risk that the use of expert networks or data analytics could result in the receipt of confidential information by investment professionals. However, because Gillson Capital's business operates on an integrated platform without ethical screens or information barriers, if such controls fail and an investment professional obtains material nonpublic information, Gillson Capital would be restricted in acquiring or disposing of investments on behalf of the Clients, which could impact the returns generated for such Clients.

Data and Information: Gillson Capital receives and generates various kinds of data and other information, including information related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information allows Gillson Capital to better anticipate macroeconomic and other trends and otherwise develop investment strategies. As a result, Gillson Capital often gains industry, sector and other general expertise and knowledge in connection with a company that will benefit a different Client. Given that the Clients trade *pari passu*, it is possible that one Client will have borne the cost for value that will benefit the other.

Risk Management; Operational Controls. The operational controls and risk management techniques used by the Clients involve third parties over whom Gillson Capital does not exercise control, including outsourced providers of fund administration, legal, information technology and custody services. The proper operation of a Client and safekeeping of its assets depend on the performance and financial wherewithal of these third parties, as well as the continued operation and security of their systems. The operational controls and risk management techniques Gillson Capital uses also necessarily include subjective elements, making the judgment and discretion of the Firm's professionals fundamental to the risk management process. The greater the importance of subjective factors, the more challenging

it becomes for the Firm to control for risk, which in turn increases the likelihood of unpredictable results with respect to a portfolio company and a Client's overall performance.

Additional operational risks arise from such factors as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology (including those highlighted below under "Cybersecurity and Identity Theft"), changes in personnel, errors caused by third parties or other disruptive events. While Gillson Capital has adopted a business continuity program designed to minimize the disruption these events could otherwise cause to normal business operations, business continuity programs are inherently limited. For example, the Firm could experience unanticipated contingencies or the planned controls and oversight may not function as intended. In addition, certain circumstances, including natural disasters, war, terrorism, public health crises, power or utility shortages and other system failures and malfunctions could prevent the Firm and its service providers from performing certain tasks, potentially for extended periods of time, including funding an investment, finalizing valuations, making a distribution or reporting to investors. Any such failure could cause losses to a Client.

Cybersecurity and Identity Theft: Cybersecurity incidents, cyber-attacks, denial of service attacks, ransomware attacks and social engineering attempts (including business email compromise attacks), both generally and within the financial services industry, have been occurring globally at a more frequent and secure level and will likely continue to increase in frequency in the future. Gillson Capital, its service providers, its counterparties and other market participants on whom Gillson Capital relies increasingly depend on complex information technology and communications systems to conduct business functions. These information and technology systems are subject to a number of different threats or risks that could adversely affect the Clients and/or its investors, despite the efforts of Gillson Capital, its service providers, its counterparties and other market participants on whom Gillson Capital relies to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Clients and/or its investors. For example, these systems are subject to damage or interruption from computer viruses, ransomware attacks, 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. The use of internet or cloud-based programs, technologies and data storage applications generally heighten these risks, and the risks of attack are expected to be heightened in remote work environments. In addition, Gillson Capital's systems could be vulnerable to supply-chain attacks, wherein attackers target third parties providing software or services in order to introduce vulnerabilities in Gillson Capital's network or systems. Third parties can also attempt to fraudulently induce employees, customers, third-party service providers or other users of systems to disclose sensitive information in order to gain access to Gillson Capital's data or that of its investors.

Although Gillson Capital has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease

to function properly, Gillson Capital, the Clients and/or a service provider would have to make a significant investment to fix or replace system components. The successful penetration or circumvention of the security of Gillson Capital's systems or these service provider's systems or a failure of these systems and/or of disaster recovery plans for any reason has the potential to cause significant interruptions in Gillson Capital's, the Clients' and/or a service provider's operations. This could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors) and proprietary and/or confidential information relating to portfolio investments, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system and costs associated with system repairs. Data taken in such breaches can be used by criminals in identity theft, to commit insider trading, in obtaining loans or payments under false identities and other crimes that could affect the investors directly as well as affect the value of assets in which a Client invests. Such a breach or failure could harm Gillson Capital's, the Clients' and/or a service provider's reputation, subject any such entity and their respective affiliates to legal claims, compliance costs and otherwise affect their business and financial performance. In addition, Gillson Capital can potentially incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction or litigation which costs, under certain circumstances, would be borne by a Client.

Effects of Health Crises and Other Catastrophes. Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the Clients and the Investment Manager's operations. For example, any preventative or protective actions that governments take in respect of such diseases or events can result in periods of business disruption, inability to obtain raw materials, supplies and component parts and reduced or disrupted operations for portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Investment Manager and other service providers can be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events can adversely affect the economies and financial markets either in specific countries or worldwide.

Environmental, Social and Governance Matters. Gillson Capital recognizes that, for many investors, environmental, social or governance ("ESG") concerns and the societal impact of their portfolios is an important consideration which cannot be viewed in isolation from overall investment performance. Therefore, the Firm will endeavor to take certain ESG considerations into account in its investment decision process (including the decision to buy, sell or hold an investment). However, ESG is only one of the many factors Gillson Capital will consider in making investment decisions, and unless otherwise required pursuant to a Client's Governing Documents, the weight placed on any such ESG considerations will be in Gillson Capital's sole and absolute discretion. Further, applying ESG standards to investment decisions is qualitative and subjective by nature, and there is no guarantee

that the criteria utilized by Gillson Capital or any judgment exercised by Gillson Capital will reflect the beliefs or values of any particular investor or group of investors. Finally, an assessment of ESG factors is not necessarily determinative and Gillson Capital's investment decisions will always be subject to being made in a manner that is consistent with the Firm's fiduciary duty to act in the best interests of investors.

In evaluating an investment and executing its ownership strategy, Gillson Capital expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Gillson Capital to incorrectly assess a company's ESG practices and/or related risks and opportunities.

To the extent that Gillson Capital engages with companies on ESG-related practices and potential enhancements thereto, there can be no guarantee that (i) such engagements will achieve either or both of the desired financial and social impact or results and/or (ii) the market or other stakeholders (community members, public company employees, customers, etc.) will view any such changes as desirable (either socially or to a Client's financial health).

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Gillson Capital's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Gillson Capital's ESG policy and ESG practices could become subject to additional regulation in the future, and the Firm cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

Risks Associated with Gillson Capital's Trading Strategy

Directional Trading: Certain of the positions taken by the Investment Manager are designed to profit from forecasting absolute price movements in a particular instrument. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

Uncertain Exit Strategies: Certain securities in which the Investment Manager invests can have a limited trading market. Consequently, not only would it be necessary for the Investment Manager to spend a considerable period of time building a position (so as to avoid affecting market prices in the course of doing so), but also it would not be feasible for the Investment Manager to exit a position effectively by open market sales (due to the adverse effect which such sales would have on the price of the securities being sold) in the event of non-consummation (consummation).

High Portfolio Turnover: The strategies employed by the Investment Manager are expected to lead to frequent changes in the Clients' investment portfolio. Higher portfolio turnover generally involves additional expense to the Clients, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of securities and reinvestment in other securities and potentially generate short-term capital gains.

"New Issue" Trading: The Clients are permitted to engage in "new issues" trading. Investors that are restricted persons under applicable FINRA rules will not be permitted to participate or participate fully in the returns generated by "new issues" trades.

New and Developing Strategies: Some of the Clients, including the Fund, are permitted to allocate a portion of their capital to fund trading accounts used for new and developing strategies. These strategies can incur substantial losses and result in capital allocated to such strategies becoming illiquid.

Importance of Market Judgment: Although the Investment Manager is permitted to use quantitative models in evaluating the economic components of certain prospective trades, the Investment Manager's investment strategies are by no means wholly systematic; the market judgment and discretion of the Investment Manager's personnel are fundamental to the development and implementation of these strategies.

Exchange Traded Funds: The Clients are permitted to invest in exchange traded funds ("ETFs") from time to time. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which are designed to generally correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices declines, thus affecting the value of an equity or fixed income ETF, respectively. An ETF can also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs are not always able to exactly replicate the performance of the indices because of various sources of tracking error, including the expenses associated with ETFs and a number of other factors.

Preferred Stock: Preferred stocks which the Clients are permitted to hold as a result of corporate actions are generally fixed income securities. Holders of preferred stocks normally have the right to receive dividends at a fixed rate when and as declared by the issuer's board of directors, but do not participate in other amounts available for distribution by the issuing corporation. Dividends on the preferred stock can potentially be cumulative, and generally all cumulative dividends usually must be paid prior to common shareholders receiving any dividends. Because as a general matter preferred stock dividend must be paid before common stock dividends, preferred stocks generally entail less risk than common stocks. Upon liquidation, preferred stocks are generally entitled to a specified liquidation preference, which is generally the same as the par or stated value and are senior in right of payment to common stock. Preferred stocks are, however, equity securities in the sense that they do not represent a liability of the issuer and, therefore, do not offer as great a degree of protection of capital or assurance of continued income as investments in corporate debt securities. In addition, preferred

stocks are subordinated in right of payment to all debt obligations and creditors of the issuer, and convertible preferred stocks could be subordinated to other preferred stock of the same issuer.

Warrants: The Clients hold warrants as a result of corporate actions. Warrants are securities that are usually issued together with a debt security or preferred stock and give the holder the right to buy a proportionate amount of common stock at a specified price until a stated expiration date. Buying a warrant generally can provide a greater potential for profit or loss than an investment of equivalent amounts in the underlying common stock. The market value of a warrant does not necessarily move with the value of the underlying securities. If a holder does not sell the warrant, it risks the loss of its entire investment if the market price of the underlying security does not, before the expiration date, exceed the exercise price of the warrant. Investing in warrants is a speculative activity. Warrants pay no dividends and confer no rights (other than the right to purchase the underlying securities) with respect to the assets of the issuer. A right is a privilege granted, typically to existing shareholders of a corporation, to subscribe for shares of a new issue of stock before it is issued. Rights normally have a short life, usually two to four weeks, are sometimes freely transferable and generally entitle the holder to buy the new common stock at a lower price than the public offering price.

Convertible Securities: The Clients hold convertible securities as a result of corporate actions. Convertible securities are generally exchangeable into common shares of an issuer based on a specified formula or occurrence of a specified date or event; certain convertible securities are mandatorily convertible in certain circumstances. Convertible securities provide higher yields than the underlying equity securities, but generally offer lower yields than non-convertible securities of similar quality. The value of convertible securities fluctuates, as do bonds, in relation to changes in interest rates and, in addition, fluctuates in relation to the market price of the underlying common stock.

Private Investments in Public Equity. PIPEs are private (unregistered) offerings of common stock or other securities, usually at a discount to current market price, issued by public companies. The typical PIPE is subject to a “lockup” agreement that prohibits the owner from reselling the PIPE security until it is registered or until a designated holding period has elapsed. On occasion, the SEC has refused to allow PIPE securities to be registered due to the immediate impact such registration could have on the public market for such securities (for example, if certain owners of such PIPEs have sold the securities short in anticipation of their registration). Typically, PIPE securities are offered by small public companies, companies in need of regular cash infusions, companies in financial distress or companies where a public offering has failed. PIPE securities are susceptible to special risks not present in the relevant issuer’s publicly traded securities. Substantial illiquidity can remain even after a PIPE security becomes registered for public sale. Moreover, a Client’s entire investment in PIPE securities can be lost if such securities never become registered.

PIPEs can be difficult to accurately value. In light of the foregoing, there is a risk that an investor who withdraws all or part of its investment while a Client holds PIPEs will be paid an amount less than it would otherwise be paid if the actual value of such PIPEs is higher than the value designated

by the Client. Similarly, there is a risk that such investor might, in effect, be overpaid if the actual value of the PIPEs held by a Client is lower than the value designated by such Client.

Unlike the purchase of freely tradable common stock in the open market, PIPEs generally involve contractual obligations by the issuer of such securities requiring the issuer to take certain actions, such as registering the securities or, in the case of convertible securities, issuing the underlying securities upon exercise of convertible securities and registering the convertible securities and the underlying securities with the appropriate federal and state authorities for resale. In order for a Client's investment strategy to be effective, the issuer of such securities must abide by its contractual obligations. If an issuer fails to meet its contractual obligations, in addition to the possibility of being involved in costly litigation, a Client may be unable to dispose of the securities at appropriate prices, if at all, or may experience substantial delays in doing so, and thus it is possible a Client will not be able to realize the anticipated, or any, profit with respect to such investment for a substantial period of time, if ever. There can be no assurance that any issuer will succeed in registering for public resale the securities held by a Client or that registration of securities pursuant to any such arrangement will create liquidity.

The Clients are also subject to regulatory requirements relating to Regulation D of the Securities Act, pursuant to which PIPEs purchased by a Client is exempt from registration. Section 2(a)(11) of the Securities Act defines an "underwriter" as any person who has purchased securities from an issuer with a view towards distribution. In connection with its sales of securities purchased pursuant to Regulation D or otherwise exempt from registration, a Client could be deemed to be a "statutory underwriter" based on the method and timing of such sales. If a Client were deemed to be a "statutory underwriter" it could have an adverse effect on the transaction(s) in respect of which such determination is made and, possibly, on a Client's ability to continue to effectively pursue its investment strategy. If a Client is deemed to be an "underwriter" in the case of securities offered or sold by a Client after exercise of registration rights with respect to those securities, the Client could be held jointly and severally liable with the issuer to the persons purchasing such securities from it for damages based upon misstatements or omissions of material facts in a prospectus or oral communication delivered or made in connection with such offer or sale. If the securities held by a Client are not registered, the Client will be able to resell those securities publicly only pursuant to Rule 144 of the Securities Act and only in a manner in which the Client will not be deemed to be engaged in a distribution of such securities and therefore not to be an "underwriter" with respect to such securities.

Special Purpose Acquisition Companies. The Clients make investments in and/or relating to special purpose acquisition companies ("SPACs"). Therefore, the Clients will be subject to the risks of investing in SPACs generally. Because SPACs have broad discretion to select potential business combinations (subject to industry, geographic or other limitations, if any), it is not possible for the Investment Manager to ascertain the merits or risks of investing in a particular SPAC or related investment.

The officers and directors of a SPAC may become involved with other SPACs in which the Clients do not invest which engage in similar business opportunities. Accordingly, the officers and directors can have conflicts of interest in determining to which entity a particular business opportunity should be presented. There is no guarantee that a SPAC selected by the Investment Manager for investment by the Clients will be able to effect a business combination with an operating entity.

SPACs are newly incorporated companies with no operating results. Because SPACs lack operating histories, the Investment Manager will have no basis upon which to evaluate a SPAC's ability to achieve its business objective of completing a business combination. Upon a SPAC's initial public offering, SPACs typically have no plans, arrangements or understandings with any prospective target business concerning a business combination and may be unable to complete a business combination. If a SPAC does not complete a business combination, then the SPAC securities are generally redeemed at a price less than their IPO price.

There is no guarantee that a SPAC in which the Clients invest will be able to execute a business combination with an operating entity. SPACs can encounter intense competition from other entities having similar business objectives, such as venture capital funds, leveraged buy-out funds and other private equity entities, as well as operating businesses competing for acquisitions. If the Clients invest in a SPAC that is unable to effect a business combination, the Clients will receive their share of the proceeds held in trust, subject to reduction if third party claims are made against the SPAC. If the Clients were to acquire certain types of units in a dual deal structure, the Clients can lose the entire amount of its investment in the units if a business combination cannot be effected by such SPAC. To the extent the SPAC were to complete a business combination with a financially unstable company or an entity in its development stage, it is possible the SPAC will be affected by the numerous risks inherent in the business operations of those entities.

Small to Medium Capitalization Companies: The Clients invest a portion of their assets in the stocks of companies with small-to medium-sized market capitalizations. While the Investment Manager believes these investments often provide significant potential for appreciation, these stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of these stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some of these stocks, an investment in these stocks can sometimes be more illiquid than that of larger capitalization stocks.

Securities Lending: The Clients borrow and lend securities on an ongoing basis in the regular course of investing. In doing so, the Clients can sometimes lend securities to, or borrow securities from, other accounts managed by the Investment Manager as well as to third parties. These transactions can (i) generate income for the Clients and (ii) give the Clients access to "hard-to-borrow" securities held by other accounts managed by the Investment Manager that could not be obtained from third parties. These transactions involve potentially material conflicts of interest. Third parties that will borrow securities from the Clients would not necessarily be able to return these securities on demand, possibly causing the Clients to default on their obligations to other parties and could also default on the

payment obligations owed to the Clients in connection with such securities loans, potentially resulting in substantial losses to the Clients.

Short Sales: The Clients sell securities short during the course of implementing their trading or hedging strategies. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Clients' portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short. Because the borrowed securities sold short must later be replaced by securities purchased in the market, any appreciation in the market price of these securities results in a loss. Purchasing securities to close out a short position can itself cause the market price of the securities to rise further, increasing losses. Furthermore, the Clients can be prematurely forced to close out a short position if a counterparty from which the Clients borrowed securities demands their return or increases the borrowing costs. There can be no assurance that securities necessary to cover a short position will be available for purchase. U.S. and non-U.S. regulatory authorities have instituted limitations on short sales, including temporary bans and ongoing reporting requirements and the SEC has recently proposed further limitations and rules.

Non-U.S. Securities: Investing in securities of non-U.S. entities that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the U.S. government or of entities organized or domiciled in the United States. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, non-U.S. government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Currency Risk: The Clients' investments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that can affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Hedging Generally: The Investment Manager will not, in general, attempt to hedge all market or other risks inherent in the Clients' positions. Specifically, the Investment Manager will potentially choose not, or will determine that it is economically unattractive, to hedge certain risks, either in respect of particular positions or in respect of the Clients' overall portfolio. The Clients' portfolio composition has the potential to result in various directional market risks remaining unhedged.

Currency Hedging: While the Clients are denominated in U.S. dollars, some of the underlying investments of the Clients can be denominated in multiple currencies. Accordingly, any hedging of currency exposure that is implemented by the Investment Manager will primarily involve hedging back to the U.S. dollar, but in certain circumstances could involve other hedging activities. There is no

assurance that the Clients will attempt to hedge their overall currency exposure, or, if they do engage in hedging activity, that this activity will be effective.

Interest Rate Risk: The Clients are subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Investment Manager can minimize the exposure of the portfolio to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Investment Manager will be successful in mitigating the impact of interest rate changes on the portfolio.

Derivatives: The Clients use derivative financial instruments, including, without limitation, warrants, options, swaps, convertible securities, notional principal contracts, contracts for differences, forward contracts, futures contracts and options thereon, and to use derivative techniques for hedging and for other trading purposes. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage often embedded in such instruments and the possibility of counterparty non-performance as well as of material and prolonged deviations between the actual and the theoretical value of a derivative, due to, e.g., nonconformance to anticipated or historical correlation patterns.

In addition, the markets for certain derivatives are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out positions in order either to realize gains or to limit losses. Some of the derivatives traded are permitted to be principal-to-principal or OTC contracts between the Clients and third parties entered into privately, rather than on an established exchange. As a result, in such circumstances the Clients would not be afforded the regulatory protections of an exchange or its clearinghouse, or of a government regulator that oversees the exchange or clearinghouse, if a counterparty failed to perform. In privately negotiated transactions, the risk of the negotiated prices deviating materially from fair value is substantial, particularly when there is no active market available from which to derive benchmark prices. Many derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative should the Clients wish or be forced to sell such position will potentially be materially different. Such differences can result in an overstatement of the Clients' net asset value and materially adversely affect the Clients in situations in which the Client is required to sell derivative instruments.

The Clients' use of derivatives and other techniques (such as short sales) for hedging purposes involves certain additional risks, including: (i) imperfect correlation between the performance and value of the instrument and the value of the securities or other objective of the Investment Manager; (ii) possible lack of a secondary market for closing out a position in such instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Investment Manager; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could

worsen the Clients' position; and (v) default or refusal to perform on the part of the counterparty with which the Clients trade. Furthermore, to the extent that any hedging strategy involves the use of OTC derivative transactions, such a strategy would be affected by implementation of the various regulations adopted pursuant to applicable provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank").

Futures Contracts and Options: The Clients trade futures and options. Futures markets are highly volatile. In investing in futures, the Investment Manager must be able to analyze correctly such markets, which are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programs and policies designed to influence world political and economic events and changes in interest rates. Purchasing options involves the risk that the instruments underlying the option will not change price in the manner expected such that the investor could lose its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received, which could result in a potentially unlimited loss. OTC options also involve counterparty solvency risk. The CFTC and the U.S. commodities exchanges impose limits referred to as "speculative position limits" on the maximum net long or net short speculative positions that any person is permitted to hold or control in any particular futures or options contracts traded on U.S. commodities exchanges.

Forward Contracts: The Clients are permitted to trade deliverable forward contracts in the inter-bank currency market. Such deliverable forward contracts are not currently traded on exchanges; rather, banks and dealers act as principals in these markets. As a result of Dodd-Frank, the CFTC now regulates non-deliverable forwards (including many deliverable forwards where the parties do not take delivery). Changes in the forward markets often entail increased costs and result in burdensome reporting requirements. There is currently no limitation on the daily price movements of forward contracts. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded.

Use of Leverage: The Clients can directly leverage their investments and utilize leverage embedded in derivative instruments and securities. This will potentially result in a Client controlling substantially more assets than such Client has equity. Direct leverage increases a Client's returns if the Client earns a greater return on investments purchased with borrowed funds than the Client's cost of borrowing such funds. However, the use of leverage exposes the Clients to additional levels of risk, including: (i) greater losses from investments than would otherwise have been the case had the Clients not borrowed to make the investments; (ii) margin calls or interim margin requirements which would force premature liquidations of investment positions; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Clients' cost of borrowing such funds. In the event of a sudden, precipitous drop in value of a Client's assets, such Client might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses. With respect to embedded leverage, the Clients would be subject to major losses if market events disrupt the hedged nature of their positions or they are forced to liquidate positions at a disadvantageous time. Furthermore, the

credit extended to the Clients by dealers to permit them to maintain their leveraged positions can be terminated by the dealers largely in such dealer's discretion, forcing liquidation at potentially material losses.

Trade Execution Risk: Certain of the trading techniques to be used by the Clients require the rapid and efficient execution of transactions. Inefficient executions can eliminate the small pricing differentials which the Investment Manager seeks to exploit.

Conflicts of Interest

The material conflicts of interest that a Client encounters include those discussed below and elsewhere in this Brochure. The following summary is not intended to be an exhaustive list of all conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact intensive and it is not possible to foresee every conflict of interest that will arise. Investors should be aware that Gillson Capital, its personnel, and its affiliates will likely in the future engage in further activities that can result in additional conflicts of interest not addressed below. There can be no assurance that Gillson Capital will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Clients. In particular, Gillson Capital expects in the future to identify additional conflicts of interest that currently are not apparent to the Firm or to the broader alternative investments industry, as well as conflicts of interest that arise or increase in materiality as the Firm develops new investment platforms or business lines and otherwise adapts to dynamic markets and an evolving regulatory environment. To the extent that Gillson Capital identifies conflicts of interest in the future, the Firm intends, but is under no obligation to, disclose these conflicts and their implications to investors through a variety of channels, including in subsequent Brochures or in other written or oral communications to the Offshore Fund board of directors or investors more generally.

Investment Allocation: The Investment Manager, who is responsible for the investment decisions made on behalf of all Clients, is permitted to take action with respect to one Client that differs from that taken with respect to another Client. The Firm also considers the investment objectives, risk parameters and order size, among other considerations, in determining an investment allocation. Certain conflicts of interest arise from the fact that the Investment Manager provides investment management services to more than one Client. Also, the investment strategies employed by the Investment Manager for current and future Clients could conflict with each other. If participation in specific opportunities is appropriate for more than one Client, participation in such opportunities will be allocated pursuant to the Investment Manager's allocation policies, which generally seek to allocate opportunities pro rata based on "available capital." There can be no assurance, however, that the application of such allocation policies will result in the allocation of a specific investment opportunity to a Client or that a Client will participate in all opportunities falling within its investment objective.

In determining the "available capital" of a Client, the Investment Manager may take into consideration: (i) the current net asset value of such Client; (ii) differing investment limitations or constraints of such Client; (iii) the relative actual or potential exposure of such Client to the type of opportunity in light

of its existing portfolio; (iv) the investment objective of such Client; (v) permitted leverage and available financing for the investment opportunity including taking into account the levels/rates that would be required to obtain the appropriate return for such Client; (vi) the size, liquidity and duration of the position or opportunity; (vii) tax considerations; (viii) regulatory considerations; (ix) such Client's risk or investment concentration parameters (including parameters such as geography industry, issuer, volatility or other similar risk metrics); (x) whether such vehicle is in the process of raising capital and/or open to withdrawals at such time; and (xi) such other considerations as may be reasonably related to a reasonable allocation of a particular investment opportunity to one or more clients of the Investment Manager. As a result of the foregoing considerations, certain opportunities may be allocated among the Clients other than on a pro rata basis and the performance results of such clients may differ significantly from each other at any time.

Trade Errors. In the course of carrying out investing and trading responsibilities on behalf of a Client, Gillson Capital personnel may make "trading errors" *i.e.*, errors in executing specific trading instructions. Examples of trading errors include (i) buying or selling an investment asset at a price or quantity that is inconsistent with the specific trading instructions generated by a particular strategy or (ii) buying rather than selling a particular investment asset (and vice versa). Trading errors are distinguishable from errors in judgment, due diligence or other factors leading to a specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by Gillson Capital personnel. The Investment Manager will treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Client, unless they are the result of conduct on the part of the Investment Manager which constitutes willful misconduct, gross negligence or bad faith. For the avoidance of doubt, the conduct of the Investment Manager will not be evaluated solely based on the conduct of the individual Gillson Capital personnel involved, but rather in the overall context of the control and compliance environment of the Investment Manager as it relates to trading errors.

Diverse Membership: Each Client's investors include persons or entities resident in various jurisdictions, including the United States and other countries, who potentially have conflicting investment, tax and other interests with respect to their investments. The conflicting interests of individual investors relate to or arise from, among other things, the nature of investments made by each Client and the timing of the disposition of investments. Such transactions can result in different after-tax returns being realized by different investors. As a consequence, conflicts of interest potentially arise in connection with decisions made by Gillson Capital that can be more beneficial for one investor than another investor, especially with respect to investors' individual tax situations. Gillson Capital considers the investment and tax objectives of each Client as a whole, and not the individual investment, tax or other objectives of any particular investor.

Industry Relationships: As with many other private funds, as part of Gillson Capital's business, the Investment Manager and its employees have developed relationships with third parties which have the potential to raise conflicts of interest. Such third parties include broker-dealers, sell-side analysts, buy-side analysts, lenders, consultants, expert network professionals, professional advisors (such as

attorneys and accountants), investors and former employees and members of Gillson Capital. Certain of these third parties can, on occasion: (i) introduce investment opportunities to Gillson Capital; (ii) arrange for, or facilitate the financing of, of current and potential portfolio securities; (iii) provide industry information or security-specific information; or (v) provide consulting, legal or advisory services to Gillson Capital or the Clients. Such third parties can also provide goods or services to or have business, personal, familial, financial or other relationships with Firm employees as well as family members or close contacts of such persons. In other instances, such third parties provide personal banking, private wealth or other arrangements to Firm personnel and their estate planning vehicles. In addition, it is possible that such third parties will invest in one or more Clients or provide other significant business or investment services to Gillson Capital or the Clients. These relationships have the ability to influence Gillson Capital in deciding whether to select or recommend any such third party to perform services for the Clients. The cost of any services provided by such third parties will generally be borne directly or indirectly by the Clients.

Expense Allocations: The Investment Manager incurs fees, costs and expenses on behalf of the Clients. The Investment Adviser seeks to allocate those common expenses among the Clients in a manner that is fair and reasonable over time. To the extent such fees, costs and expenses are incurred for the account of or for the benefit of one or more Clients, the Clients will typically bear an allocable portion of any such fees, costs and expenses. However, because the allocation of such fees, costs and expenses remain subject to the terms of the Governing Documents and such terms differ from one Client to another, it is possible that such fees, costs and expenses will not be borne pro rata based on invested capital by the relevant client as result of such terms having been negotiated differently by different Clients. In this regard, expense allocation decisions will involve potential conflicts of interest (*e.g.*, an incentive to favor accounts that pay higher incentive fees, or conflicts relating to different expense arrangements with certain Clients). Additionally, the Investment Manager may use various other methods to allocate particular expenses among the Clients depending on the circumstances (*e.g.*, relative participation in the transaction related to the expense, general amount of trading activity etc.). The determination as to the method or methods used can be based on relative use of the product or service, the nature or source of the product or service, the relative benefits derived by the Clients from the product or service, or other relevant factors. Nonetheless, investors should note that the portion of a common expense that the Investment Manager allocates to a Client for a particular product or service may not reflect the relative benefit derived by the Client from that product or service in any particular instance. The Investment Manager's expense allocations often depend on inherently subjective determinations and, accordingly, expense allocations made by the Investment Manager in good faith will be final and binding on the Clients.

A conflict of interest could arise in Gillson Capital's determination of whether certain costs or expenses that are incurred in connection with the operation of the Clients meet the definition of operational expenses for which the Clients are responsible, whether such expenses should be borne by Gillson Capital or the manner in which Gillson Capital allocates expenses. The Clients will be reliant on the determinations of Gillson Capital in this regard. Because the allocation process can be subjective, from time to time, it is possible that subsequent review of allocations could result in an

identification of expenses that should have been allocated in a different manner, in which case measures will be undertaken to correct such circumstance, which might include a reversal of the original expense allocation, if possible, or such other equitable adjustment believed by Gillson Capital to be the most appropriate corrective measure to ensure allocations are equitable on an overall basis in Gillson Capital's good faith judgment.

There are occasions when the Fund or a Client (the "Payor Client") pays an expense common to multiple Clients (the "Allocated Clients"). On such occasions, each Allocated Client will reimburse the Payor Client for its share of such expense, without interest, promptly after the payment is made by the Payor Client.

Some expenses are incurred on behalf of one Client which at times benefit other Clients. For example, information Gillson Capital obtains in connection with the Fund's research, due diligence and investment activities will be valuable to other Clients. Additionally, tools and resources developed at Gillson Capital's expense will be the intellectual property of Gillson Capital and not the Clients.

Time and Attention of the Principal: It is possible the Principal will spend a portion of his business time and attention pursuing investment opportunities and activities that do not fall within the objectives, strategy, scope and investment criteria of the Clients. Gillson Capital believes that the investment of the Principal in the Clients, as well as the Principal's interest in the Performance Fee, operate to align, to some extent, the interest of the Principal with the interest of the investors. Unless restricted by the Governing Documents or Gillson Capital's policies, Gillson Capital personnel are permitted to serve on boards or act in other roles unaffiliated with Gillson Capital or the Clients, including boards of charitable and educational institutions, public companies, private companies, and receive compensation in connection with such services and roles and receive compensation in connection with such services and roles. Such compensation are not related to the Clients and, as a result, any compensation received by an employee is not shared with the Clients and/or investors.

Tangible and Intangible Benefits. In connection with its services to the Funds and their investments, Gillson Capital expects to receive the benefit of certain tangible and intangible benefits. For example, in the course of Gillson Capital's operations, including research, due diligence, investment monitoring and investment activities, Gillson Capital and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Client operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "the Gillson Capital Information"). In many cases, Gillson Capital Information will include tools, procedures and resources developed by Gillson Capital to organize or systematize Gillson Capital Information for ongoing or future use. Although Gillson Capital expects its Clients generally to benefit from Gillson Capital's possession of Gillson Capital Information, it is possible that any benefits will be experienced solely by future Clients or by Gillson Capital and its personnel and not by the Clients from which Gillson Capital Information was originally received. Gillson Capital Information will be the sole intellectual property of Gillson Capital and solely for the use of Gillson Capital.

Additionally, Gillson Capital and its employees have in the past and expect in the future to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Client, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Client expenses often result in “miles” or “points” or credit in loyalty/status programs to Gillson Capital and/or its personnel, and such rewards and/or amounts will exclusively benefit Gillson Capital and/or such personnel.

Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements. The Governing Documents of each Client are detailed agreements that establish complex arrangements among Gillson Capital, the investors, the Client, the General Partner and other entities and individuals. Questions arise under these agreements regarding the parties’ rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements’ drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While Gillson Capital will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations Gillson Capital adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Clients or their investors.

Conflicts Related to the Withholding of Certain Information. The Governing Documents of the Clients generally permit the General Partner to withhold information from designated investors in such Client under specified circumstances. For instance, information will at times be withheld from investors that are subject to Freedom of Information Act or similar requirements.

Item 9 – Disciplinary Information

Like other registered Investment Managers, Gillson Capital is required to disclose all material facts regarding any legal or disciplinary events that would materially impact an investor’s evaluation of Gillson Capital or the integrity of Gillson Capital’s management. No events have occurred at Gillson Capital that are applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Gillson Capital is not actively engaged in a business other than giving investment advice to the Clients. Neither Gillson Capital nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity-trading advisor or associated person of the foregoing, and Gillson Capital does not anticipate such affiliations in the future.

Gillson Capital has no arrangements with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, commodity trading advisor or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor or syndicator of limited

partnerships that are material to its advisory business or to its Clients. Gillson Capital has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, investment banking, tax preparation, insurance brokerage, information technology, compliance and other services. Some of these professionals provide services to Gillson Capital employees. While none have done so to date, some of these professionals may also become investors in the Fund, either personally or through their company.

Gillson Capital and the General Partner qualify for an exemption from registration with the CFTC as a commodity pool operator pursuant to Regulation 4.13(a)(3), due to their de minimis amount of commodity interest trading.

From time to time, Gillson Capital receives training, information, promotional material, meals, event tickets, entertainment, gifts or other perquisites from service providers and others with whom it does business or to whom it makes referrals. At no time will Gillson Capital accept any benefits, gifts, entertainment or other arrangements that are conditioned on directing individual Client transactions to a specific security, product or provider. Similarly, Gillson Capital employees occasionally speak at or attend conferences and programs for potential investors interested in investing in hedge funds and other industry events that are sponsored by the Fund's prime brokers, introducing brokers, custodians or others. Through such capital introduction and other events, prospective investors have the opportunity to meet with Gillson Capital. Neither Gillson Capital nor the Fund compensates the prime brokers, introducing brokers, custodians or others for investments ultimately made by prospective investors attending such events other than registration, sponsorship, membership or other similar fees paid to attend such events.

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

Code of Ethics

Pursuant to Rule 204A-1 of the Advisers Act, Gillson Capital has adopted a written code of ethics based on principles of openness, honesty, integrity and trust. The code of ethics requires supervised persons to put Clients' interests ahead of the Firm's and their own and to maintain compliance with the federal securities laws. Upon hire and at least once a year thereafter, each Gillson Capital employee is required to acknowledge this code and agree to be bound by it.

Gillson Capital's code of ethics covers standards of business conduct, confidentiality of Client information, personal trading requirements, insider trading, reporting of personal securities transactions, industry experts, outside business activities, restrictions on accepting and giving of gifts and reporting of certain gifts and business entertainment items, among other topics. The code of ethics also includes a prohibition on insider trading and outlines strict policies that dictate how any material nonpublic information is to be treated.

Employees of Gillson Capital who violate the code of ethics are subject to remedial actions, including, but not limited to, censure, suspension or dismissal. Employees are also required to promptly report any violations of the code of ethics of which they become aware.

Gillson Capital will provide a copy of its code of ethics to any existing or prospective investor upon request to its Chief Compliance Officer, Martin Kalish, at (312) 667-8920.

Participation or Interest in Client Transactions

Gillson Capital and certain employees invest in and alongside the Fund, either through the General Partner or as direct investors in the Fund. Gillson Capital or the General Partner, as applicable, exempts such persons from all or a portion of the Management Fee or Performance Fee. Gillson Capital does not believe this arrangement presents any material conflict of interest since the Principal's and employees' interests are aligned with the interests of investors in such Funds.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. Gillson Capital does not affect any principal securities transactions for Client accounts without the appropriate Client approval. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser). Cross trades between funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either fund. Cross transactions occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as a broker) between two or more different clients that are managed by that same adviser or affiliate. An adviser is not "acting as a broker" and therefore is not considered to be conducting a cross transaction under Section 206(3) if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the asset) for effecting the transaction. Agency cross transactions can arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to Gillson Capital.

In the event the Investment Manager affect securities trades (including outright purchases and sales) between Clients (typically when rebalancing accounts), such transactions will be made at the market rate for similar transactions using an independent pricing mechanism, such as the last sales price on the exchange where the security is principally traded. Transactions will be affected at market price for no consideration other than cash payment against prompt delivery of the relevant security.

Personal Trading

The personal trading policy for supervised persons is set forth in Gillson Capital's code of ethics and is acknowledged as received and understood by each supervised person. Gillson Capital's personal trading policies are designed to ensure that no Client is disadvantaged by the transactions executed by

a supervised person and that supervised persons do not misappropriate any benefit properly belonging to a Client.

Gillson Capital's employees are permitted to make securities transactions in their personal accounts, subject to certain limitations as set forth in the code of ethics. This presents potential conflicts in that an employee could make improper use of information regarding a Client's holdings or future transactions or research paid for by the Clients. Gillson Capital manages the potential conflicts of interest inherent in employee personal trading by strict enforcement of the personal trading policy in its code of ethics, which includes pre-clearance and reporting requirements.

In rare cases, Gillson Capital's business could provide Gillson Capital and its employees with access to material nonpublic ("insider") information. The code of ethics includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated. Gillson Capital's employees are prohibited from (i) trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding publicly traded securities or (ii) communicating material nonpublic information about such securities to others. The Firm maintains a restricted list of issuers about which it has or may have material nonpublic information. Employees and their covered family members are required to pre-clear certain transactions, file certain reports and link their brokerage accounts to Gillson Capital's compliance software to enable monitoring of personal trading by the Chief Compliance Officer or his designee.

The Principal and employees of Gillson Capital are permitted to carry on investment activities for their own account and for family members, friends or others and to give advice and recommend securities which differ from advice given to, or securities recommended or bought for, the Clients, even though their investment objectives are the same or similar. In addition, the Principal and employees are permitted on occasion to buy securities in transactions offered to, but rejected by, the Clients or that are outside the investment mandate of the Clients. All such employee personal trading requests are subject to pre-approval and/or review by the Chief Compliance Officer.

Notwithstanding and subject to the above-described internal compliance policies and approval procedures, members, partners, officers and employees of the General Partner and the Investment Manager are permitted to engage, from time to time, in personal trading of securities and other instruments that are not in the Clients' investable universe.

Conflicts of Interest

In addition to the conflict of interest arising from trading by Gillson Capital or its Principal or employees for their own accounts as discussed above, and conflicts relating to Gillson Capital's receipt of Performance Fees, which are discussed in Item 6 above, Clients or investors are subject to additional conflicts of interest. The Fund Governing Documents detail a description of what Gillson Capital believes to be the most significant conflicts of interest associated with an investment in the Fund; investors in the Third-Party Funds are provided with a copy of this Brochure, which also details a description (in Item 8, above) of what Gillson Capital believes to be the most significant conflicts

of interest associated with an investment. Investors should carefully consider the conflicts of interest described in these documents prior to investing.

If any matter arises that Gillson Capital determines in its good faith constitutes an actual conflict of interest, Gillson Capital will take such actions as are necessary and appropriate, within the context of the applicable Clients' Governing Documents, to ameliorate the conflict. Such action may include disclosure to the General Partner, to the Offshore Fund board of directors or to affected investors, all as applicable.

Item 12 – Brokerage Practices

Gillson Capital is authorized to determine the broker or dealer to be used for securities transaction for its Clients. Transactions for the Clients are allocated to broker-dealers on the basis of best execution available in light of the overall quality of brokerage, prime brokerage, financing and other services provided. In selecting brokers or dealers to execute transactions, Gillson Capital will consider the following factors, among others as detailed in its policies and procedures: (i) the Investment Manager's experience in evaluating the broker-dealer's reliability and capability based on previous and pending transactions effected by the broker-dealer for Gillson Capital; (ii) a broker-dealer's execution capabilities with respect to the relevant type of order and access to the markets for the securities being traded; (iii) the strength of the broker-dealer's research and analytic services as well as clearing and settlement capabilities; (iv) the type and size of the transaction involved; (v) the commissions charged; and (vi) the broker-dealer's reputation and responsiveness to requests for trade data and other financial information. Gillson Capital need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

Each Client's securities transactions generate brokerage commissions and other compensation, all of which the respective Client, not the Investment Manager, will be obligated to pay. The Investment Manager has discretion in deciding what brokers and dealers the Clients will use and in negotiating the rates of compensation a Client will pay. Although Gillson Capital will make a good faith determination that the amount of commissions paid to a broker is reasonable in light of the products or services provided by the broker, commission rates are generally negotiable, and thus, selecting a broker-dealer on the basis of considerations that are not limited to the applicable commission rates can sometimes result in higher transaction costs than would otherwise be obtainable. However, Gillson Capital believes the commissions or mark-ups charged are competitive with those that other broker-dealers charge.

Broker-dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. While it is possible that actual brokerage business received by any broker-dealer is less than the suggested allocations, such business can (and often does) exceed the suggestions because total brokerage is allocated on the basis of all the considerations described above. A broker-dealer is not excluded from receiving business because it has not been identified as providing research services.

Section 28(e) of the Exchange Act is a “safe harbor” that permits an investment manager to use commissions or “soft dollars” to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Gillson Capital is permitted under the terms of the Governing Documents to use permitted research and brokerage services under Section 28(e) and limits the use of “soft dollars” to obtain research and brokerage services that constitute research and brokerage within the meaning of Section 28(e). Permitted research and brokerage services within Section 28(e) include, but are not limited to: (i) advice as to the value of securities and the advisability of investing, purchasing or selling securities; (ii) analysis and reports concerning issuers, securities, economic factors and trends, portfolio strategy and performance of accounts; (iii) research reports analyzing the performance of a particular company or stock; (iv) discussions with research analysts relating to the advisability of investing in securities; (v) meetings with corporate executives to obtain oral reports on the performance of a company; (vi) seminars or conferences that provide substantive content relating to issuers, industries and securities; (vii) software that provides analyses of securities portfolios or algorithmic trading strategies, or is used to transmit orders or account data; (viii) corporate governance research if reporting or analyzing issuers; (ix) financial newsletters and trade journals that are not targeted to a wide, public audience; (x) effecting securities transactions and performing functions incidental to such transactions, such as clearance, settlement, net pricing, online pricing, block trading, block positioning; or (xi) post-trade communications and activities, including settlement instructions to custodians, matching of information and short-term custody.

In connection with the direct trading activities in the Funds, the Investment Manager has entered into client commission agreements (“CCAs”) with certain broker-dealers and has the potential to enter into additional CCAs with other broker-dealers in the future. Under the CCAs, a portion of the commissions charged by the broker-dealer is allocated to an account (each, a “CCA Account”) that is available to pay for eligible third-party research selected by Gillson Capital. It is possible that the availability of these non-monetary benefits influences Gillson Capital to select one broker-dealer rather than another.

In some instances, Gillson Capital receives a product or service that is used only partially for functions within Section 28(e) (*e.g.*, Bloomberg). The receipt of such products or services and the determination of the appropriate allocation in the case of “mixed use” products or services create a potential conflict of interest between the Investment Manager and its Clients. In such instances, the Investment Manager will make a good faith effort to determine the relative proportion of the product or service used to assist Gillson Capital in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Investment Manager in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by Gillson Capital from its own resources.

The use of client brokerage commissions to obtain research or other products and services is a benefit to Gillson Capital as it does not require the Investment Manager to produce or pay for such research, products or services. As a result, Gillson Capital has an incentive to select specific broker-dealers based on a Client's interests in receiving the research or other products and/or services rather than basing decisions on a Client's interest in receiving the most favorable execution. In addition, it is possible that soft dollar/CCA benefits are not proportionately allocated to each Client that pays the actual commissions that generate the soft dollars/CCA. Similarly, research and brokerage services obtained by the use of commissions arising from a Client's portfolio transactions can be used by Gillson Capital in managing all Clients and/or other investment activities and thus, a Client will not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

During the last fiscal year, the Firm acquired products and services with Client brokerage commissions similar, but not limited to, the following: (i) research, such as proprietary research from broker-dealers, which can be written and/or oral; (ii) research products, such as databases; (iii) research services, such as research concerning market, economic and financial data; a particular aspect of economics or on the economy in general; statistical information; pricing data and availability of securities; financial publications; electronic market quotations; performance measurement services; analyses concerning specific securities, companies, industries or sectors; market, economic and financial studies and forecasts; (iv) invitations to attend conferences or meetings with management or industry consultants; and (v) execution services to effect securities transactions as eligible brokerage.

During the last fiscal year, the Firm has taken into account the quality, comprehensiveness and frequency of available research services and products considered to be of value provided by broker-dealers when directing Client transactions to a particular broker-dealer. The Investment Manager directed transactions to such broker-dealers only consistent with best execution.

As mentioned in Item 10 above, from time to time, the personnel of the Investment Manager and/or its affiliates have in the past and expect in the future to speak at and/or attend conferences and programs for potential investors interested in investing in hedge funds which are sponsored by the Clients' prime brokers, introducing brokers, custodians or others. Through such events, prospective investors have the opportunity to meet with Gillson Capital. Neither Gillson Capital nor the Clients compensates the prime brokers, introducing brokers, custodians or others for organizing such events or for investments ultimately made by prospective investors attending such events. Such events and other services (including, without limitation, capital introduction and business consulting services and technology) provided by a broker-dealer to the Clients or the Investment Manager may be a factor in deciding whether to use such broker-dealer in connection with brokerage, financing and other activities of the Clients.

Gillson Capital recognizes that it can potentially have an incentive to favor broker-dealers that provide capital introduction services or refer investors. Gillson Capital receives Management Fees and accordingly would receive a financial benefit from the increase in assets under management that result

from capital introduction services and investor referrals. Similarly, Gillson Capital receives a Performance Fee and accordingly could receive a larger Performance Fee in any given profit period as a result of an increase in assets under management that results from capital introduction services and investor referrals. The potential for higher fees presents a potential conflict in that Gillson Capital has an incentive to favor broker-dealers that provide services that have a direct impact on fees even if those broker-dealers rate unfavorably in other categories.

The Investment Manager addresses this potential conflict by periodically reviewing its broker-dealer arrangements and evaluating each broker-dealer's performance. These reviews are expected to enable Gillson Capital to determine when broker-dealers that outperform in capital introduction and investor referrals also underperform in other areas. Gillson Capital would provide heightened scrutiny to its relationship with those broker-dealers who underperform in other areas.

More information about Gillson Capital's prime brokers and custodians can be found in its ADV Part 1, Schedule D, Section 7.B.(1).

Gillson Capital does not engage in directed brokerage transactions but allows Third-Party Fund Clients to select their own broker-dealer or custodian (although none have done so to date). With regard to trade aggregation, Gillson Capital aggregates the purchase or sale of securities for its Clients when to do so is in the Clients' best interest. In such circumstance, the Firm will allocate on a pro rata basis among the participating Clients, unless investment restrictions or investment guidelines otherwise require, and subject to minimum share order quantities and other appropriate factors such as the leveling of accounts, Client tax profiles and the timing of capital flows.

Item 13 – Review of Accounts

The Principal and other employees of Gillson Capital regularly review the portfolios of each Client to ensure they are being managed consistent with applicable investment objectives and restrictions. These reviews are performed intraday, daily, weekly and monthly, as deemed appropriate. Gillson Capital also considers whether the portfolio should change investments based on various factors, including but not limited to, changes in company fundamentals, advisers, key industry personnel, analysts, news and press releases, general market conditions and assessment of the financial consequences of world events derived from general information or such other material as is appropriate under the particular circumstances.

In addition, Martin Kalish, Chief Compliance Officer, reviews records of trades placed for the Clients on a regular basis. The Clients' trades are also reviewed on a regular basis by the Clients' third-party administrators to price the portfolio based on independent third-party pricing sources or methodologies approved by Gillson Capital. The third-party administrators also ensure that Gillson Capital's records are in agreement with those of its custodians.

On a monthly basis, the Investment Manager provides investors with the final net asset value for the prior completed calendar month, net of all fees and expenses, within thirty (30) calendar days after the

end of such calendar month. Also on a monthly basis, the third-party administrator(s) send capital account statements to investors. On a quarterly basis, Gillson Capital provides investors with a quarterly investor letter. Annually, within 120 days after the end of each fiscal year, an annual report containing audited financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) is delivered to each of the Fund investors. Finally, Gillson Capital provides investors with annual tax information necessary for the completion of tax returns (K-1). Third-Party Fund Clients receive specific information about their account as agreed to at the commencement of the relationship. All reports are sent to investors in writing and are delivered electronically. Gillson Capital also has contact with investors (personal visits, telephone, video conference and email) throughout the year as conditions warrant.

Upon request, certain investors receive additional information and reporting that other investors do not receive. The fact that Gillson Capital provides such information upon request to one or more investors does not obligate Gillson Capital to affirmatively provide such information to all investors. As a result, certain investors will have more information about a Fund than other investors, and Gillson Capital has no duty, and does not intend, to ensure that all investors seek, obtain or possess the same information regarding a Fund and its investments.

Item 14 – Client Referrals and Other Compensation

Gillson Capital does not receive any monetary compensation or other economic benefit from a non-Client for Gillson Capital’s provision of investment advisory services to a Client. Similarly, as of the date hereof, Gillson Capital does not use third-party marketers to assist in its fundraising efforts.

Item 15 – Custody

The Advisers Act Rule 206(4)-2 (the “Custody Rule”) requires that pooled investment vehicles advised by the adviser either undergo an annual GAAP financial statement audit by a Public Company Accounting Oversight Board (“PCAOB”) registered auditing firm or be subject to a surprise custody examination, also by a PCAOB registered auditing firm. While Gillson Capital places all Fund assets in custody with prime brokers and other executing broker-dealers and does not maintain physical custody over any Client funds, it is still considered to have custody over the Fund because it is not operationally independent from the Fund’s General Partner and the General Partner has full discretion and control over Fund investments and cash, including the ability to deduct fees from Fund accounts. In order to comply with the Custody Rule, the Firm has elected to undergo an annual GAAP financial statement audit for the Fund by a PCAOB registered auditing firm, copies of which are delivered to underlying Fund investors within 120 days of year-end. Investors in the Fund should carefully review such financial statements.

Gillson Capital does not maintain custody over its Third-Party Fund Clients; these Clients have established their own, independent relationships with specific brokers and qualified custodians and retain custody over such accounts.

Gillson Capital does not accept physical custody of Client assets. Capital contributions are directly wired to the Client's account maintained with a qualified custodian and securities are held with broker-dealers who act as custodians for such securities. Gillson Capital receives account statements from the prime brokers and custodians on behalf of the Clients each month. Third-Party Fund Clients also receive statements directly from their brokers and custodians each month.

Item 16 – Investment Discretion

Investment advice is provided directly to the Clients, subject to the discretion and control of the General Partner, and not to investors in the Clients individually. Gillson Capital has discretionary authority based on the Governing Documents with each Client to buy and sell securities or other investments on behalf of the Clients and to determine the amount of investments to be bought and sold. The terms upon which Gillson Capital serves as the investment manager of a Client are determined at the time each Client is established and are generally disclosed in the Governing Documents with respect to each Client.

To become an investor in a Client, an investor must execute a subscription or other advisory agreement with such Client. Such agreements generally contain a power of attorney that grants Gillson Capital certain powers related to the orderly administration of the affairs of the Client. Once an investor executes these documents, Gillson Capital is not required to contact such investor prior to transacting business in a Client.

Generally, Gillson Capital's only restrictions with respect to managing a Client, such as, but not limited to, the type of securities that a Client invests in, will be contained in the relevant Governing Documents. Gillson Capital's authority to trade securities can potentially be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Item 17 – Voting Client Securities

The investment management agreements provide Gillson Capital with the authority to vote proxies on behalf of the Funds and some Third-Party Funds. Gillson Capital has adopted a proxy voting policy pursuant to Advisers Act Rule 206(4)-6 to describe how it votes its Clients' proxies. Gillson Capital votes proxies consistent with the best interests of its Clients with the primary goal of maximizing portfolio values.

Pursuant to its policy, Gillson Capital will generally vote in accordance with management's recommendations, unless Gillson Capital determines that voting in such a manner is in conflict with the best interests of its Clients. In such cases, Gillson Capital will evaluate and vote the proxies on a case-by-case basis. If it is determined that the conflict of interest is not material, Gillson Capital is permitted to vote a proxy notwithstanding the existence of the conflict. If it is determined that the conflict of interest is material, Gillson Capital will resolve the conflict in one of several possible ways, such as by engaging a third party to recommend a vote with respect to the proxy, by seeking the advice

of an independent third party, by establishing a committee to address the conflict or by any other method Gillson Capital deems appropriate under the circumstances. In addition, there may be instances when Gillson Capital refrains from voting a proxy, such as when Gillson Capital determines that the cost of voting the proxy exceeds the expected benefit to the Client and would not be in the Client's best interest. In general, investors cannot request that Gillson Capital vote in a particular way on any specific proposal.

Investors can obtain a copy of Gillson Capital's proxy voting policy upon request from Gillson Capital's Chief Compliance Officer, Martin Kalish, at (312) 667-8920 or mkalish@gillsoncapital.com. Investors can also obtain information from Gillson Capital about how it voted any previous proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item 18 to provide certain financial information or disclosures about their financial condition. Gillson Capital does not require prepayment of more than \$1,200 in fees per Client six months or more in advance and thus is not required to provide a copy of a balance sheet for the most recent fiscal year. Additionally, Gillson Capital has no financial condition that impairs its ability to meet contractual and fiduciary commitments to investors and has not been the subject of a bankruptcy petition.