

Part 2A of Form ADV: Firm Brochure



GALLATIN POINT CAPITAL LLC

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This brochure (the “**Brochure**”) provides information about the qualifications and business practices of Gallatin Point Capital LLC. If you have any questions about the contents of this Brochure, please contact us at 203-742-0200 or info@gallatinpoint.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about Gallatin Point Capital LLC is also available on the SEC’s website at www.adviserinfo.sec.gov. Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Item 2. Material Changes

Gallatin Point Capital LLC (“**Gallatin**” or the “**Adviser**”) routinely makes changes throughout its Brochure in an effort to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry and firm practices. Gallatin also makes routine updates to information provided in the previous annual update. Gallatin believes that these changes are not material changes and does not describe them in this Item 2 and further believes that since its last annual filing on March 30, 2023, there have been no material changes to its business or the way in which Gallatin conducts and supervises its business.

Gallatin will deliver a new Brochure as necessary based on regulatory requirements, in the event of material changes or new information, without charge. Should you require a copy of our most current Brochure at any time, please contact us at 203-742-0200 or info@gallatinpoint.com. Please read this Form ADV Part 2A in its entirety. Additional information about Gallatin is available on the IAPD website at www.adviserinfo.sec.gov, by searching for our CRD #287716.

Item 3. Table of Contents

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Item 4. Advisory Business

Gallatin Point Capital LLC (“**Gallatin**”) is a Delaware limited liability company with its principal place of business in Greenwich, Connecticut. Gallatin was formed in December 2016 and commenced operations as an investment adviser in February 2017. Gallatin is principally owned and controlled by Gallatin Point LP, a Delaware limited partnership, principally owned and controlled by Matthew B. Botein and Lewis A. (Lee) Sachs.

Gallatin, together with affiliated general partner entities (for purposes of this Brochure any such affiliated entities are included in the term “Gallatin”), provides investment advice to both pooled investment vehicles and single investment vehicles (collectively, the “**Funds**” and individually a “**Fund**”) with respect to the acquisition, management, and disposition of debt and equity investments. Gallatin currently follows two investing strategies, an equity strategy and an income strategy. The equity strategy consists of investment opportunities representing a portfolio of opportunistic businesses, with a primary focus on financial institutions, services and assets. This strategy primarily makes long-term private equity and equity-related investments. The income strategy consists of investments with lower volatility and lower absolute returns than the Gallatin equity strategy. Gallatin’s advisory services consist of investigating, identifying, and evaluating investment opportunities, structuring, negotiating, and making investments on behalf of the Funds, managing, and monitoring the performance of such investments and disposing of such investments. Gallatin also establishes separate investment vehicles to invest in or facilitate the investment in a business, on a deal-by-deal basis. Gallatin also provides non-discretionary investment advice to certain institutional clients.

Gallatin has formed one or more parallel entities (the “Parallel Funds”) to accommodate certain non-U.S. investors and certain U.S. tax-exempt investors that will invest in parallel with a Fund. To accommodate investments by certain other investors with special legal, tax or other considerations, Gallatin is authorized to form feeder entities (the “Feeder Funds”) to be used by certain investors to invest in a Fund or any Parallel Fund.

Each Fund’s terms may be different, including with respect to different mandates, minimum investment size, and investment restrictions. Each Fund is a privately offered investment vehicle exempt from registration under the Investment Company Act of 1940, as amended (the “**1940 Act**”), and its securities are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”).

While Gallatin provides advice focused on opportunistic business investments, Gallatin is authorized to make other types of investments as appropriate under the terms of each Fund’s organizational documents, such as advice related to hedging transactions.

Gallatin has entered into an arrangement with a strategic investor (the “**Strategic Investor**”) whereby the Strategic Investor has the right to provide a significant portion of the aggregate investment amount of each investment sourced by Gallatin for investment by certain Funds or other entity or person for whom Gallatin or any affiliate provides investment advice through investment vehicles established for the Strategic Investor, or certain funds or accounts managed or advised by the Strategic Investor or its affiliates (the “**Strategic Investor Funds**”). Moreover, the Strategic Investor has acquired a minority interest in Gallatin and has received certain rights that are in addition to, and generally more favorable than, the rights of investors in the Funds, including fee and carried interest rates that are lower than those applicable to investors in the Funds. The Strategic Investor is not a sponsor or promoter of the Funds and has no duties to other investors. The Strategic Investor does not have a voting, equity stake in Gallatin and is not involved in the day-to-day operation of the Funds or in the management of the Funds. There is no guarantee that Gallatin will continue this arrangement with the Strategic Investor in the future. In addition, Gallatin may

enter into similar arrangements with other strategic partners in the future. Gallatin does not now, and does not intend to in the future, participate in any wrap fee programs.

As of December 31, 2023, Gallatin managed \$4,741,797,786 on a discretionary basis, and \$416,458,348 on a non-discretionary basis.

Item 5. Fees and Compensation

Advisory compensation

Each investor in a Fund is charged an investment management fee (the “**Management Fee**”) that is based on capital commitments, invested capital or adjusted capital contributions, depending on the stage of a Fund’s lifecycle. Generally, Management Fees are a percentage of a Fund’s capital commitments, converting after a designated investment period to a percentage of the cost of the remaining assets and decreasing in the later years of the Fund. The exact amount of, and the manner and calculation of, the Management Fee is established through negotiations between Gallatin and each Fund and is set out in each Fund’s organizational documents and/or other documentation received by or agreed upon with an investor prior to investment in such Fund (the “**Fund Documentation**”). Gallatin expects that Management Fees will be deducted from the capital called from each Fund investor’s committed capital on a quarterly basis and paid to Gallatin or an affiliated entity. The Management Fee is prorated for any period less than a calendar quarter for which it is payable.

Subject to the Fund Documentation, Gallatin is generally allocated a portion of cumulative net profits from the investments of such Fund (customarily referred to as a “**Carried Interest**”).

Gallatin also receives compensation in the form of flat fees for non-discretionary advice provided to certain institutional clients. Compensation arrangements for these relationships are expected to vary from client to client.

The compensation described herein may be modified and may differ from one Fund to another, as well as among investors in the same Fund. The Management Fee and Carried Interest has been reduced, rebated or waived for some investors in the Funds, and Gallatin expects that the Strategic Investor and future strategic partners or significant investors will typically be charged lower Management Fees and Carried Interest than other investors in each Fund. Gallatin also expects to reduce or waive Management Fees and/or the Carried Interest for investors affiliated with Gallatin or Gallatin employees. As described below, the Management Fee is often reduced in connection with the receipt by Gallatin or its related persons of various fees paid by actual or prospective Fund portfolio companies or by certain organizational or other expenses borne by such Fund.

Other Expenses Paid by the Funds

In addition to paying Management Fees and Carried Interest, each Fund will generally be subject to the payment of other expenses, as set out in the Fund Documentation for each Fund, such as:

- expenses incurred in connection with the organization of a Fund,
- fees, costs, and expenses incurred in connection with the dissolution, liquidation and winding up of a Fund,
- expenses incurred in connection with preparing any amendment, restatement, or other modifications to certain Fund Documentation,

- legal, administrator, accounting, auditing, and other professional expenses including, but not limited to, regulatory, compliance, filings, and reporting expenses (to the extent related to a client or its investments),
- fees, expenses, and other compensation of any operating partners retained to provide management, consulting, or other business services to, or relating to, potential or current portfolio companies,
- principal, interest, and expenses relating to, or arising out of, borrowings by such Fund and all reasonable brokerage fees, commissions, and discounts,
- costs and expenses incurred in connection with the evaluation, research, purchase, retention or sale of securities (whether or not consummated), including, without limitation, loan fees, private placement fees, sales commissions, finder's fees, brokerage fees, auditing fees, underwriting commissions and discounts, investment banker fees, insurance costs, and all other expenses that are directly related to particular investments or proposed investments, whether or not actually consummated,
- expenses incurred in connection with any meeting with investors and meetings of any committees formed by a Fund (such as an advisory committee),
- fees, costs, and expenses associated with the preparation and delivery of Fund financial statements, tax returns and Schedule K-1s, capital calls, distribution notices, other reports, and notices and other required or requested information (including the fees, costs and expenses incurred to provide access to such reports or information (including through a website or other portal)),
- the reasonable costs of any litigation, D&O liability, or other insurance,
- fees, costs and expenses associated with the valuation of Fund investments, and
- any indemnification or extraordinary expense or liability relating to the affairs of such Fund.

Gallatin expects that each Fund may be subject to a cap on the amount of expenses that may be charged to the investors in the Fund, and each existing Fund contains such a cap. To the extent such expenses are incurred for the benefit of multiple Funds, Gallatin will make a good faith allocation (generally, but not exclusively, *pro rata* based on the asset size of the Fund) of such expenses among the Funds. Expenses paid by non-discretionary institutional clients will be determined by the agreement with the client.

Other Compensation

Gallatin employees may receive from a portfolio company fees or stock in connection with serving on the board of directors of the portfolio company. Gallatin and its affiliates may, and in certain instances do, receive monitoring fees pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation and other similar ongoing services provided by Gallatin to such portfolio companies. Such agreements may allow for the acceleration of payments upon a sale of the portfolio company. Gallatin and its affiliates may perform negotiation, consulting, investment banking, financial advisory and other services for, and may receive fees from, the issuer, seller or purchaser of a portfolio company including fees in connection with investment banking, advisory, or similar fee with respect to such portfolio companies. In certain cases, Gallatin, and its affiliates may be eligible to receive fees in connection with an unconsummated transaction such as broken deal, topped-bid or similar fees (“**Break-Up Fees**”). The amount and timing of Break-Up Fees received by Gallatin are generally negotiated at the

time of the proposed investment and specified in the agreement or other documentation governing the transaction.

To the extent Gallatin receives any of the fees described above, Gallatin generally will reduce or offset the amount of Management Fees paid by the applicable Fund in connection with the receipt of a portion of such fees. The amount and manner of such reduction or offset, if any, is and will be set out in the Fund Documentation for the applicable Fund. In addition, portfolio companies generally reimburse Gallatin for certain expenses incurred by Gallatin in connection with its performance of services for such portfolio companies.

To the extent the payment of fees and expense reimbursements by portfolio companies are not fully reduced, a conflict of interest between Gallatin and the Fund is created because the amounts of these other fees and expense reimbursements can be substantial and such Funds and their investors generally do not have a full interest in these fees and reimbursements. Gallatin has the authority to negotiate the amount of these fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or other third parties.

Investor Co-Investment Vehicle Expenses

In certain cases, a co-investment vehicle or other similar vehicle established to facilitate the investment by investors to invest alongside the Fund is formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its *pro rata* portion of expenses incurred in the making of an investment whenever such agreement allows. For a discussion of material conflicts regarding investor allocation, please see “Allocation of Co-investment Opportunities” in Item 11 below.

Allocation of Expenses

A Fund will pay all fees, costs and expenses relating to its investment activities and other operations as described in detail in the Fund Documents. It is expected that certain expenses associated with completed investments will be borne by the portfolio company in which the Fund has invested, which will result in all owners of that portfolio company indirectly bearing that expense. However, certain investment related expenses are allocated to and borne by a holding vehicle or other entity through which the Fund makes and holds its investment in a portfolio company, which results in the Fund bearing a greater proportion of such expenses than would be the case if they were paid by the portfolio company.

Gallatin creates allocation formulas to minimize potential conflicts of interest from influencing the allocation of investment opportunities or fees and expenses among the Funds. To the extent not allocated to a portfolio company, Gallatin allocates fees and expenses incurred in the course of investment advice and investment supervisory services between Funds in accordance with the Fund Documents, generally, but not exclusively, *pro rata* based upon aggregate capital commitments. For a discussion of material conflicts regarding allocation, please see “Allocation of Investment Opportunities among Funds” in Item 11 below.

Broken Deal Expenses

A Fund will in certain cases incur expenses in connection with a potential investment that is expected to be made by the Fund but is abandoned before it is made (“**Broken Deal Expenses**”). As a general matter, a

Fund is obligated to pay all expenses incurred in connection with an investment opportunity that is considered by the Fund, even if the investment is not consummated and even if potential co-investors in that investment do not agree to pay any share of such expenses.

Other types of circumstances are expected to arise. For example, the Fund or Gallatin could create a special purpose entity that will complete its formation and otherwise be in a position to bear expenses relating to a potential co-investment only if the co-investment is consummated. Thus, there would be no third party that has agreed to share expenses with the Fund if the co-investment is not consummated, with the result that the Fund will bear all of the Broken Deal Expenses relating to that potential investment notwithstanding that third parties may have benefitted from the opportunity to review, investigate, and otherwise assess that potential investment. Gallatin is not required to limit co-investment opportunities to potential co-investors that agree to pay their share of Broken Deal Expenses. Consequently, the Fund generally bears a disproportionate amount of Broken Deal Expenses relative to its expected investment in any potential investment that is offered to co-investors but is not consummated.

Independent Advisor Compensation

Gallatin often engages advisors, other industry and deal advisors and other third-party consultants (collectively “**Independent Advisors**”) who enter into a contract with Gallatin to provide advisory services over a defined period of time or in connection with a particular transaction. These Independent Advisors are third party consultants, not employees of Gallatin or its affiliates and are often involved in both pre-and post-investment activities relating to portfolio companies. For potential portfolio company investments, Independent Advisors assist Gallatin in finding investment opportunities, conducting due diligence, validating the operational improvement potential, evaluating management of the portfolio company, and providing additional assistance through their industry contacts. After a portfolio company investment is made, Independent Advisors often work closely with management of the portfolio company to provide industry expertise and experience and to implement the value-creation plan constructed for the business. It is also common for Independent Advisors to be hired by a portfolio company in a senior executive capacity or to serve on board of directors of the portfolio company after the portfolio investment is made.

Gallatin compensates Independent Advisors through cash payments, equity in portfolio companies, expense reimbursements and/or other means (or a combination thereof). If the services provided by an Independent Advisor relate to a specific portfolio company or potential portfolio company, Gallatin is reimbursed by the Fund or the portfolio company for the compensation paid for those services, which may include transaction fees. When an Independent Advisor is hired by a portfolio company or serves on the board of directors, he or she will receive compensation for those services directly from the portfolio company. Gallatin is permitted to determine in its sole discretion whether an Independent Advisor will provide any services that relate to a specific portfolio company or potential portfolio company and, therefore, whether or not Gallatin will be reimbursed for compensation paid to those Independent Advisors. When Gallatin has the ability to significantly influence the management of a portfolio company, it generally has the ability to influence the decision of whether or not an Independent Advisor will serve on the board of directors of that portfolio company or will be hired by that portfolio company as an executive officer. As a result of the economic benefit to Gallatin and its Independent Advisors that can arise from having an Independent Advisor provide services relating to a portfolio company or having an Independent Advisor serve as an executive officer of a portfolio company, conflicts can arise when Gallatin is determining whether an Independent Advisor will provide those services or serve in that capacity. In such cases, Gallatin will make such determinations in accordance with its fiduciary duties and governing Fund documents.

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

As noted in Item 5, Gallatin receives Carried Interest from each Fund.

The payment of Carried Interest to Gallatin will be made at different rates, is subject to varying hurdle rates (including varying effective rates based on the past performance of the Fund) and is determined on a Fund-by-Fund basis and on an investor-by-investor basis. Certain Funds, and certain investors in each Fund, therefore pay lower rates than other Funds or investors.

In addition, Gallatin is authorized in certain instances to collect a profits interest at the portfolio company level in lieu of the receipt of Carried Interest, which profits interest would generally be made at a percentage of the profits earned on the relevant portfolio company; provided that any such profits interest is made without duplication of the Carried Interest at Fund level.

This creates an incentive for Gallatin to disproportionately allocate time, services or functions to Funds paying Carried Interest at a higher effective rate or subject to a lower hurdle before paying Carried Interest. Generally, this conflict is mitigated by contractual provisions and procedures setting out specific resource allocation requirements through key person provisions that typically provide for the Gallatin principals to devote significant time to the management of the portfolio. The conflict associated with Carried Interest is often further mitigated by the requirement that the general partner have a capital commitment to a Fund, and a general partner clawback obligation under dissolution of a Fund. For a discussion of material conflicts regarding allocation, please see “Allocation of Investment Opportunities among Funds” in Item 11 below.

Item 7. Types of Clients

Gallatin provides discretionary investment advice to both the Funds and separate investment vehicles and provides non-discretionary investment advice to one or more institutional clients. Each Fund specifies a minimum subscription amount, but the terms will depend on the Fund Documents. The applicable Fund general partner (or other affiliate with management discretion) reserves the right to waive the minimum investment amount for investors.

Any investment advisory relationships with institutional clients will be negotiated on a case-by-case basis.

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

Methods of Analysis and Investment Strategies

Gallatin seeks to identify opportunities that arise from complexity, dislocation or changes in technology and regulation that create the potential for outsized returns relative to the amount of risk attributable to the investment. Gallatin actively seeks opportunities with rewards and risks that are more idiosyncratic and uncorrelated in nature, for example, opportunities that may be less reliant on favorable performance of the equity and bond markets. Gallatin believes that the rewards for creatively applying its investment strategy to investment opportunities are often superior to those available by competing in broad auction processes.

Gallatin seeks to implement its strategy by forming collaborative partnerships with investors in the Funds it manages and with management teams of the companies in which it invests debt and equity capital, in an effort to find a favorable combination of capital with managerial competencies. Gallatin also believes in an intensive approach in seeking to guide and add value to the Fund portfolio companies, including by providing strategic counsel to management of portfolio companies and access to Gallatin’s experience, resources, and professional networks.

Gallatin seeks to invest in businesses at all stages of development, including by:

- partnering with experienced founders at inception of a business, where Gallatin believes a new entrant in an industry or market has the greatest chance for success and an investment can be structured with downside protection for a Fund's investment;
- providing growth capital to existing businesses where Gallatin believes the management team is particularly strong and where Gallatin's experience, along with our capital, can help the company grow and succeed; and
- collaborating with more mature companies to help them achieve their particular objectives by partnering with Gallatin.

Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies

Set out below is a brief summary of some of the important risks to which Gallatin expects a Fund or other client to be subject as a result of Gallatin's investment strategies. Before deciding to invest in a Fund, prospective investors should carefully consider all of the risk factors and other information set out here and, if applicable, in the Fund Documentation. Prospective investors should also consult with their own financial, tax and legal advisors regarding the suitability of an investment in a Fund. Investing in securities involves risk of loss that clients and Fund investors should be prepared to bear.

The following risk factors and potential conflicts should be understood to generally apply to a Fund and any Parallel Fund or Feeder Fund (and where appropriate, the general partner acting in its capacity as the general partner or managing member of the relevant Parallel Fund or Feeder Fund).

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19 have resulted in numerous deaths, have adversely impacted global commercial activity, and have contributed to significant volatility in certain equity and debt markets. Future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

In an effort to contain such health emergencies, national, regional and local governments, as well as private businesses and other organizations, have taken or have the potential to take restrictive measures, including instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Such measures, as well as the general uncertainty surrounding the dangers and impact of such health emergencies, can create significant disruption in supply chains and economic activity and may have a particularly adverse impact on transportation, hospitality, tourism, entertainment, and other industries.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on client accounts, the Funds and their portfolio companies and could adversely affect the ability of accounts and Funds to fulfill their investment objectives.

The extent of the impact of any public health emergency on client accounts', the Funds' and their portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its

disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the client accounts' and Funds' portfolio companies, the ability to source, manage and divest investments and the ability to achieve their investment objectives, all of which could result in significant losses to client accounts and the Funds. In addition, the operations of portfolio companies and the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

Ongoing Military Conflicts. There is currently an ongoing military conflict between Russia and the Ukraine which, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. In addition, in October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Hamas also launched extensive rocket attacks on Israeli population and industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. These attacks resulted in extensive deaths, injuries and kidnapping of civilians and soldiers. Following the attack, Israel's security cabinet declared war against Hamas and a military campaign against these terrorist organizations commenced in parallel to their continued rocket and terror attacks. Moreover, the clash between Israel and Hezbollah in Lebanon, may escalate in the future into a greater regional conflict. However, the ultimate impact of the Russia-Ukraine and Israel-Hamas conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition, and performance of the Funds or any particular industry or business and the duration and severity of those effects, are difficult to predict.

Social Media and Publicity Risk. The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding Gallatin, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

No Assurance of Investment Returns. Gallatin cannot give assurance that investments will generate returns or that returns will be commensurate with the risks of investing in the type of companies and transactions that fall within such Fund's individual investment objectives. The interests are not readily marketable, and a Fund's investments are generally illiquid. Partial or complete sales, transfers, or other dispositions of investments which may result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after an investment is made. An investment in a Fund should only be considered by persons who can afford a loss of their entire investment. Past performance of investment entities associated with Matthew Botein or Lee Sachs is not necessarily indicative of future results of a Fund, and there can be no assurance that projected or targeted returns for a Fund will be achieved.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "Financial Institution") of some or all of the Fund's (or any portfolio company's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including, but not limited to, eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, the Adviser, the Funds or one or more of their respective portfolio companies

may be unable to access deposits, borrowing facilities or other services, either permanently or for an extended, potentially indeterminate, period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by government-sponsored organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the stated amounts are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose comparable risk of loss. While in recent years governmental intervention has resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that such intervention will occur in connection with any future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, delays or negative impacts on banking or brokerage conditions or markets.

Any Distress Event could have a potentially adverse effect on the ability of the Adviser to manage the Funds and their investments, and on the ability of the Adviser, the Funds or one or more of their respective portfolio companies to maintain operations, which, in each case, could result in significant losses and in unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of a Fund to acquire or dispose of investments, including at prices that the Adviser believes reflect the fair value of such investments; and the inability of the Adviser or any portfolio companies to make payroll, fulfill obligations or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that a Fund or a portfolio company will incur additional expenses or delays, or incur additional expenses, in putting in place alternative arrangements, or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, availability, access to capital or otherwise). To the extent the Adviser is able to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their respective portfolio companies are subject to similar risks if a Financial Institution utilized by investors in the Fund or by suppliers, vendors, contractors, service providers or other counterparties of a Fund or a portfolio company becomes subject to a Distress Event, which could have a material adverse effect on such Fund and/or one or more of its portfolio companies.

Many Financial Institutions require, as a condition to using certain of their services (often including lending services), that the Adviser and/or the Funds maintain all or a set amount or percentage of their respective accounts or assets with that Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although the Adviser seeks to do business with Financial Institutions that they believe are established, well-capitalized and capable of fulfilling their respective obligations to the Funds, the Adviser is under no obligation to use a minimum number of Financial Institutions with respect to any Fund or to maintain account balances at or below the relevant insured amounts, and the rapid collapse in the first quarter of 2023 of several seemingly well-capitalized and established institutions demonstrates that there are limits to the effectiveness of this approach in avoiding counterparty exposure. Under certain circumstances, such as receiving capital contributions pursuant to a capital call or proceeds from a disposition, the Funds will not be able to maintain account balances at or below any relevant insured amounts.

Substantial Fees and Expenses. The Funds typically pay Management Fees, Carried Interest, organizational expenses, and operating expenses as set forth in the individual Fund Documentation, whether or not they make any profits. While it is difficult to predict the future expenses of the Funds, such expenses may be substantial. Please see Item 5 for additional information on fees and expenses.

Valuations. Where the Management Fee is calculated taking into account the valuation of an investment, Gallatin will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where a Fund's governing documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, Gallatin is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant general partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are written down (such investments, "Impaired Value Investments"), and the relevant general partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant governing documents.

Gallatin's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant general partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant general partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Fund's governing documents, neither the general partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The general partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Fund's governing documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of Gallatin's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant general partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although Gallatin intends to operate in accordance with a Fund's governing documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Reliance on Portfolio Company Management. The day-to-day operations of each portfolio company in which the Funds invest will be the responsibility of such portfolio company's management team. Although Gallatin will be responsible for monitoring the performance of each investment and a Fund will seek to invest in companies operated by (or otherwise put in place) strong management teams, there can be no assurance that a portfolio company's existing management team, or any successor team, will be able to operate such company in accordance with a Fund's expectations. In addition, a Fund may not be the controlling shareholder in a portfolio company or represent a majority or its board of directors, and thus may exert less influence as a result.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies. Before making investments, Gallatin will typically conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment, including the dynamics of the related investment process. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and Gallatin may rely on the advice received from such third parties. There can be no assurance that Gallatin or such third parties will be able to detect or prevent irregular accounting, employee misconduct, corruption or fraudulent practices during the due diligence and negotiation phase or in its efforts to monitor the investment on an ongoing basis, or that any

risk management procedures implemented on behalf of a Fund will be adequate. In the event of a fraud by any portfolio company or asset, or any of their respective affiliates, a Fund may suffer a partial or total loss of capital invested in that investment. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller of any portfolio investment, whether intentional or otherwise. Such inaccuracy or incompleteness may adversely affect the value of a Fund's investments in such portfolio company and the terms of acquiring such vehicle may limit recourse, or such recourse may be unavailable due to local laws, the inability to enforce judgments against a company in local courts or the solvency of the seller. The due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not always necessarily result in an investment being successful or even ensure a return of invested capital. Conduct occurring at portfolio companies or assets, even activities that occurred prior to a Fund's investment therein, could have an adverse impact on a Fund or such investment.

Allocation of Investment Opportunities with Other Entities and Conflicting Fiduciary Duties to Other Entities. The allocation of investment opportunities between Funds are subject to guidelines and restrictions set forth in each Fund's governing documents and as described further under *Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Allocation of Investment Opportunities with Other Entities*. Allocation determinations and the discretion to vary allocations based on various factors may result in the allocation of all, none or a greater or less than optimal portion of certain investment opportunities to a Fund, which could adversely affect the Fund's performance to the extent that the Fund receives a large allocation of an investment that ultimately underperforms, or is not allocated as much of an investment that ultimately is successful, and either scenario could adversely affect the Fund's performance. Subject to the terms of the applicable Fund's governing documents, Gallatin will allocate any such opportunities among the applicable Funds as it determines in good faith is appropriate, taking into consideration, including without limitation, such factors as the allocation guidelines applicable to the Funds, the capital available to a Fund, the size of the proposed investment, portfolio diversification, investment guidelines, risk allocation, contractual prohibitions, the amount of the potential follow-on investing anticipated to be required for such investment and the other portfolio investments of the Fund as well as the related portfolio balance.

No Assurance of Profit or Distributions. There is no assurance that a Fund's investments will be profitable or that any distributions will be made to investors. Any return on investment to investors will depend upon profitable investments being made and disposed of by the Fund. The marketability and value of any such investment will depend upon many factors beyond the control of the Fund. A Fund may not have sufficient cash available to make any distributions, including tax distributions, to the investors. The expenses of a Fund may exceed its income and the investors could lose the entire amount of their contributed capital.

Long-Term Investments. A Fund's investments will be illiquid and long-term. Appreciation in the portfolio companies and other investments will be dependent upon the successful execution of a Fund's strategy. In many cases investments may be held several years from the date of initial investment before disposition. It is possible that a Fund will still hold some illiquid securities at the end of the Fund's term, with the result that such securities may need to be distributed in-kind or sold for a price that reflects their illiquid nature. There can be no assurance that a Fund will ultimately be able to sell such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. Illiquidity may result from the absence of an established market for investment securities as well as from legal or contractual restrictions on the resale of such securities by a Fund.

Suitability of Potential Limited Partners. An investment in a Fund is suitable only for sophisticated investors with substantial other assets who are capable of making an informed independent decision as to

the risks involved in an investment in a Fund. Because of the risks involved, the lack of a public market for the Interests and restrictions on the transfer of Interests, an investment in a Fund is only suitable for sophisticated investors who are willing to hold their interests for the term of the Fund and who understand that they may lose all or a significant portion of their invested capital. In addition, in some cases a Fund may be prohibited by contract or applicable laws from selling certain investments for a period of time.

Side Letters. The Fund or the general partner, without any further act, approval or vote of any Limited Partner, intends to enter into side letters or other similar agreements with certain Limited Partners that have the effect of establishing rights (including economic terms) under, or altering or supplementing the terms of, the Partnership Agreement with respect to certain Limited Partners. As a result of such side letters, certain Limited Partners will receive additional benefits that other Limited Partners do not receive, and such benefits potentially will be significant. Further, the general partner is likely to have its own economic and/or other business incentives to provide certain terms to certain investors (e.g., based on commitment amount to the Fund or the timing thereof, the ability of the investor to provide sourcing or other services to the general partner, the Fund or other funds managed by the general partner or its affiliates or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the general partner, the Fund or other funds managed by the general partner or its affiliates). Such rights, terms or confirmations in any such side letter or other similar agreement may potentially include (i) different economic terms, including reduced fees, modified waterfall mechanics and/or receipt of a portion of the general partner's or its affiliates' fees; (ii) the ability to opt-out of certain types of investments (including with respect to investments in certain geographies and/or industries); (iii) the right to receive certain additional information, certifications, reporting and/or notifications from the Fund or the general partner or any of their affiliates and/or the manner in which information and/or notice shall be provided; (iv) the right to transfer Fund interests and to cause such transferee to be admitted to the Fund as a substitute Limited Partner; (v) the offering of, and/or participation in, co-investment opportunities; (vi) the right to withdraw from the Fund in the event of adverse tax or regulatory events or violations of law or policies or in the event the investor's commitment in the Fund would exceed a certain percentage of the Fund's aggregate commitments; (vii) additional confidentiality protections; (viii) the right to disclose certain information to underlying investors, the public, regulators or certain other persons; (ix) structuring rights with respect to certain types of investments; (x) modification of default remedies; (xi) investment pacing restrictions; (xii) limits on indemnification; (xiii) rights with respect to legal, regulatory or policy requirements applicable to any such Limited Partner or its affiliates, or (xiv) certain other terms whether economic, procedural or otherwise. Side letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple funds managed by the general partner or its affiliates, including the Fund. Side Letters subject the general partner to potential conflicts of interest, including in circumstances where an investor receives additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more Limited Partners being excused or excluded from, or from regulatory, tax or other factors altering or limiting their participation in, certain investments, the aggregate returns realized by participating or non-participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of particular investments. The general partner is likely to have its own economic and/or other business incentives to provide certain terms to certain Limited Partners (e.g., based on commitment amount to the Fund or the timing thereof, the ability of a Limited Partner to provide sourcing or other services to the general partner, its affiliates and personnel or the Fund), or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the general partner, its affiliates and personnel, or the Fund. Further Although the general partner believes it to be unlikely, excuse rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns, or to influence or affect the investment strategy and pursuit of investment

opportunities by the general partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Partnership Agreement; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund. The other Limited Partners will generally have no recourse against the Fund, the general partner and/or any of their affiliates in the event that certain Limited Partners receive additional and/or different rights and/or terms as a result of such side letters. The general partner will be required to notify the other Limited Partners of any such side letters or other similar agreements or any of the rights and/or terms or provisions thereof, and to offer such additional rights and/or terms to other Limited Partners, only to the extent provided in the Partnership Agreement.

Business and Market Risks. Investments may involve a high degree of business and financial risk, which could result in substantial loss to a Fund. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks on security operations. The possibility of partial or total loss of capital will exist.

Investments in portfolio companies in which the Funds invest involve a high degree of business risk and uncertainty. These portfolio companies may be in an early stage of development, may not have a proven operating history, may be operating at a loss or may have significant variations in operating results. Furthermore, these portfolio companies may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition. The Funds will not necessarily have the opportunity to evaluate the relevant economic, financial, and other information which will be used in the selection, structuring, monitoring and disposition of assets. In addition, the portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities and a larger number of qualified managerial and technical personnel.

General Market Risks. Recent legal and regulatory changes, and additional legal and regulatory changes that could occur during a Fund's applicable term, may adversely impact Funds. The regulation of the US and non-US financial markets and investment funds has undergone substantial change in recent years and such change may continue. The effect of such new regulations on the Funds, while impossible to predict, could be substantial and adverse and may, directly or indirectly, subject Funds to increased capital requirements, fees, and expenses, as well as limits on the types of investors they may solicit. The full effect of recent and future legislation cannot yet be known.

Laws and regulations, particularly those involving taxation, investment, and trade, applicable to the activities of a Fund can change quickly and unpredictably, and may at any time be amended, modified, repealed, or replaced in a manner adverse to the Fund's interests. It is impossible to predict what, if any, changes in regulation applicable to the Funds or Gallatin, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. The Funds and/or Gallatin may be or may become subject to unduly burdensome and restrictive regulation.

In recent years, due to events in the financial markets, the financial services industry generally, and the activities of private funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny in the United States and in other jurisdictions. Such scrutiny and accompanying

regulatory changes may increase the exposure of the Funds to potential liabilities and to legal, compliance and other related costs and may have an adverse effect on private funds generally, and in particular, on the ability of the Funds to achieve their investment objectives. The private fund industry may continue to be adversely affected by the recent developments in the financial markets in the United States and abroad going forward, and any future legal, regulatory, or governmental action and developments in such financial markets and the broader global economy could have an adverse effect on the business of the Funds, operations, and performance.

The entire market or particular instruments traded on a market may decline even if earnings or other factors improve inasmuch as the prices of such instruments are subject to numerous economic, political, psychological, and other factors that have little or no correlation to the performance of a particular company. A Fund may elect to hedge against market movements or the credit or other risks of any particular portfolio investment, whether by means of a derivative or other financial product or instrument. To the extent that a Fund engages in certain hedging transactions, there can be no assurances that such hedging will insulate such Fund from risks, and hedging techniques, whether via a derivative or other product or instrument, may give rise to certain costs and additional risks, including a risk of the total loss of any amounts invested in hedging instruments.

Unspecified Investments; Competition for Investments. There can be no assurance that a Fund will be able to find a sufficient number of attractive opportunities or ever be fully invested if enough attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. Some of Gallatin's competitors may have more relevant experience, greater financial resources, and more personnel than Gallatin. To the extent that a Fund encounters competition for investments and is not successful in acquiring attractive investments as a result of such competition or otherwise, returns to investors may decrease. A Fund may incur significant fees in identifying and structuring investments that such Fund does not acquire, including fees and expenses relating to due diligence.

Regulation and Enforcement. Funds are subject to regulation by laws at local and national levels and in multiple jurisdictions, including foreign countries. Specific and general regulations addressing capital markets, including tax laws and regulations, whether in the United States or abroad, could increase the cost of acquiring, holding, or divesting portfolio investments, the profitability of investments, and the costs of operating the Funds. Additional regulation could also increase the risk of third-party litigation.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), among other things, granted regulatory authorities such as the Commodity Futures Trading Commission (the "**CFTC**"), the SEC and the Consumer Financial Protection Bureau (the "**CFPB**") broad rulemaking and enforcement authority to implement and oversee various provisions of the Dodd-Frank Act, including comprehensive regulation of the over-the-counter derivatives and consumer finance markets. These expanded powers have resulted in rules that could adversely affect the Funds or investments made by the Funds.

The Funds may be subject to state and federal regulation, borrower disclosure requirements, limits on fees and interest rates on some loans, state lender licensing requirements, and other regulatory requirements in the conduct of their business as originators, lenders, acquirers, or servicers of consumer and commercial loans. In circumstances in which a state license is required, the applicant may experience delays in obtaining licenses due to the application requirements and processes involved. Funds may also be subject to consumer disclosures and substantive requirements on consumer loan terms and other federal regulatory requirements applicable to consumer lending that are administered by the CFPB. These state and federal regulatory programs are designed to protect borrowers, not to protect investors in the Fund. Compliance with these regulatory requirements imposes staffing, legal, compliance and other costs and administrative burdens.

In addition, there can be no assurance that the Funds, Gallatin, or any of their affiliates will avoid regulatory examination or enforcement actions. Even if an investigation or proceeding does not result in a sanction being imposed against Gallatin or any of its affiliates, or such sanction is small in monetary amount, the Funds, Gallatin, and/or their respective affiliates may be subject to adverse publicity relating to the investigation, proceeding or imposition of such sanctions. There is also a risk that regulatory agencies in the United States and abroad will continue to adopt, change, or enhance new or existing laws or regulations, which may result in additional regulatory scrutiny.

The Funds may also indirectly be affected by regulation of banks and other financial services firms with which the Funds do business, from which they obtain financing or other services, or to which they seek to sell interests in loan securitizations. The regulatory regimes applicable to financial services firms with which the Funds do business may increase borrowing costs or limit the terms or availability of credit, affect the terms or pricing of loan securitizations, affect the collectability of loans, or have other indirect effects.

Title VII of the Dodd-Frank Act provided for a sweeping overhaul of the regulation of privately negotiated derivatives. The CFTC has been granted broad regulatory authority over “swaps,” which term has been defined in the Dodd-Frank Act and related CFTC rules to include derivatives. Title VII may affect the Funds’ ability to enter into derivative transactions, may increase the costs in entering into such transactions, and/or may result in the Funds entering into such transactions on less favorable terms than prior to effectiveness of the Dodd-Frank Act. For example, the Funds may be required to clear certain interest rate hedging transactions by submitting them to a derivative clearing organization. In addition, to the extent the Funds are required to clear any such transactions, they will be required to, among other things, post margin in connection with such transactions. The occurrence of any of the foregoing events may have an adverse effect on the Funds’ businesses and their financial returns.

In addition, certain Funds may invest in distressed investments and, as a result, there is a possibility that Gallatin will participate in restructuring activities. It is possible that certain Funds will become involved in litigation with respect to creditor disputes and similar issues among classes of claimants. Litigation entails expense and the possibility of counterclaims against such Funds including their general partners or managers and Gallatin, and ultimately, judgments may be rendered against the Fund for which such Funds do not carry insurance.

Finally, the SEC has proposed and enacted significant rules that will impact the business of Gallatin and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Gallatin and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

US Risk Retention Rules. Under requirements promulgated under the Dodd Frank Act and similar European Union requirements, a “sponsor” or “securitizer” is generally required to retain at least 5% of the credit risk of the securitized assets it sponsors or securitizes (“**Risk Retention Rules**”). There has been no explicit guidance regarding whether entities may be structured for this purpose and therefore the regulatory environment in which any such structure intends to operate is highly uncertain and it is possible that Gallatin could be deemed to be a sponsor or a securitizer. Additionally, the impact of the Risk Retention Rules on

the securitization market is unclear and such rules may negatively impact the value of CLOs, securitizations, and the underlying assets.

Monetary Policy and Governmental Intervention. Actions by the Board of Governors of the U.S. Federal Reserve System (the “**Federal Reserve**”) and certain non-U.S. governments and central banks, including changes in policies and taking other actions to stabilize markets, combat inflation and/or restart or encourage economic growth, may have a significant effect on interest rates, inflation and on the U.S. and world economies and financial markets generally, which in turn may affect the performance of a Fund’s investments on an absolute and/or relative basis. As a result of these policies, interest rates have been low and have remained at relatively low levels on a historical basis. However, in the wake of these policies, global economies have begun to experience significant inflation. In early 2022, in light of increasing evidence of inflation, the Federal Reserve began raising the federal funds rate through the remainder of 2022 and has indicated that it expects continued increases in interest rates potentially in 2023 and 2024. Other non-U.S. governments and central banks have also increased interest rates and are expected to continue to do so. The presence of inflation and the resulting policy changes, including rising interest rates, have resulted in, and may continue to result in, periods of equity and credit market volatility and instability in the financial markets more broadly. These economic conditions, should they persist, may present attractive investment opportunities stemming from market dislocations, but also may make it riskier and more difficult to execute on a Fund’s investment strategy successfully, including finding attractive investments and executing on opportunities for realizing value from investments.

Changes to Benchmark Rates. To the extent that a Fund’s investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate (“LIBOR”), Secured Overnight Financing Rate (SOFR) or other rates (each, a “Benchmark Rate”), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Non-US Investments Generally; Non-US Currency Risks. A Fund may, subject to the terms of the applicable Fund’s governing documents, invest in the securities of issuers and other assets located outside of the U.S. Non-U.S. investments may involve certain factors not typically associated with investing in the U.S., including risks relating to: (i) currency exchange matters, (ii) inflation matters, including rapid fluctuations in inflation rates; (iii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and the potential of less government supervision and regulation; (iv) economic, social and political risks, and (v) the possible imposition of foreign taxes on income and gains recognized with respect to such securities.

Certain Funds may make investments that are denominated in non-US currency and therefore are subject to the risk that the value of a particular currency will change in relation to one or more other currencies, including generally the currency in which the books of the Funds are kept, and contributions and distributions generally will be made. Among the factors that may 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. A Fund will incur costs in converting investment proceeds from one currency to another. Gallatin may, but is under no

obligation to, employ hedging techniques to minimize these risks, although there can be no assurance that such strategies will be effective. Investments in any country in which US dollars are not the local currency may be affected by such changes in the value of foreign exchange between the US dollar and such currency. Such changes may have an adverse effect on the value, price, or income of the investment to such prospective investors. There may also be foreign exchange regulations applicable to investments in non-US currencies in certain jurisdictions.

Pay-to-Play Laws, Regulations and Policies. A number of US states and municipal pension plans have adopted so-called “pay-to-play” laws, regulations or policies which prohibit, restrict, or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including those seeking investments by public retirement funds. The SEC has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives, employees, or agents contributes to certain elected officials or candidates. If Gallatin, any of its employees or affiliates or any service provider acting on their behalf fails to comply with such laws, regulations or policies, such non-compliance could have an adverse effect on the Funds.

Possibility of Fraud and Other Misconduct of Employees and Service Providers. Misconduct by employees of Gallatin, service providers to the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. Gallatin has controls and procedures through which it seeks to minimize the risk of such misconduct occurring. However, no assurances can be given that Gallatin will be able to identify or prevent such misconduct.

Changes in Investment Focus. The Funds may not be restricted in terms of the percentage of their capital that can be invested in a particular industry, geographical region, or type of investment. While a Fund’s disclosure and/or governing documents will generally contain a description of the types of investments that other Funds have historically made and/or information about Gallatin’s expectations with respect to such Fund, many factors may contribute to changes in emphasis in the construction of such Fund’s portfolio, including changes in market or economic conditions or regulation as they affect various industries and changes in the political or social situations in particular countries.

Lack of Liquidity of Investments. It is anticipated that there will be a significant period of time before a new Fund will have completed its investments in portfolio companies. Such investments may take at least three to five years or more from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Disposition of a Fund’s investments periodically requires a lengthy time period or may result in distributions in-kind to investors. As such, a Fund may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of dissolution of such Fund.

Limitations on Transferability. Interests in a Fund will not be registered under the Securities Act, or any other securities laws applicable in any US or non-US jurisdiction and may not be transferred unless registered under applicable securities laws or unless an exemption from such laws is available. Gallatin and the general partners or managers of the Funds have no plans, and are under no obligation, to cause any

Funds to register such interests under such laws. No market exists for the interests in the Funds, and none is expected to develop.

Possible Lack of Diversification. Each Fund may concentrate its portfolio investments by investing all of its assets in only a few issuers, industries, or countries. By investing in a limited number of portfolio investments, the aggregate returns realized by a Fund may be substantially affected by the unfavorable performance of a small number of such portfolio investments. In addition, Gallatin's investments are likely to be concentrated in the financial services industry and not broadly diversified by industry classification.

Single Asset Fund. One or more Fund's may be a single asset fund. Since such Fund's portfolio will not be diversified, it will be subject to more rapid changes in value than would be the case if the Fund were required to maintain a wide diversification among companies. Market conditions, interest rates, and economic, regulatory, or financial developments could significantly affect the portfolio company and therefore the value of the Fund's portfolio. Investors should use investments in a single asset structure as part of their broader portfolio. An investor in a single asset fund must have the time and expertise to evaluate the investment and decide whether to invest. It is up to the investor and not the Fund sponsor to decide whether the investment is right for them. Administration costs over the life of a single asset deal fund may be proportionately higher than a traditional fund, although this may be offset by the reduced reporting burden. Because a single asset Fund will only invest in a single portfolio company, the Fund may not have the ability to participate in follow-on investments or avoid dilution of its interest in the portfolio company.

Leverage. The Funds, in certain instances, may borrow and utilize various other forms of leverage, and may expect to operate with a significant leverage ratio. Although leverage presents opportunities for increasing a Fund's total return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the cost of the leverage, the total return of the leveraging Fund will decrease. Accordingly, any event which adversely affects the value of a portfolio investment would be magnified to the extent a Fund is leveraged. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to such Funds' investments combined with the effect of the credit quality deterioration of the portfolio investments, could result in a substantial loss to such Funds that could be substantially greater than if such Funds were not leveraged. In addition, contractual demands by lenders to a Fund to reduce its leverage may force such Fund to sell investments on an emergency basis at prices less than those obtainable in a more orderly liquidation. To the extent that a creditor has a claim on a Fund, such claim would be senior to the rights of an investor in the Fund. As a result, if a Fund's losses were to exceed the amount of capital invested, an investor could lose its entire investment.

Subscription Lines. A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant general partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the

establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the relevant governing documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. Fund-level borrowing also involves a number of additional risks. For example, drawing on a subscription line allows a general partner to fund investments and pay partnership expenses without calling capital. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant general partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A general partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Gallatin for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when a general partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

Investment- and Intermediate Entity-Level Borrowing. Under a Fund's governing documents, each Fund is authorized to incur indebtedness that is secured by any assets of the Fund (*e.g.*, asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (*e.g.*, special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the related governing documents. Although in many cases the relevant governing documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

Financing Arrangements. To the extent that a Fund enters into financing arrangements in the future, such arrangements may contain provisions that expose it to particular risk of loss. For example, any cross-default provisions could magnify the effect of an individual default. If a cross-default provision were exercised, a substantial loss could result for a Fund. Also, a Fund may enter into financing arrangements that contain financial covenants that could require it to maintain certain financial ratios. If a Fund were to breach the financial covenants contained in any such financing arrangement, it might be required to repay such debt immediately, in whole or in part, together with any attendant costs, and such Fund might be forced to sell some of its assets to fund such costs. A Fund may also be required to reduce or suspend distributions. Such

financial covenants would also limit the ability of Gallatin or such Fund to adopt the financial structure (e.g., by reducing levels of borrowing) that it would have adopted in the absence of such covenants. In addition, pursuant to the partnership or limited liability company agreements of a Fund, the general partner or manager may be permitted to pledge the capital commitments of the investors to secure financing arrangements for such Fund. The investors may be required to honor their capital commitments to permit the Fund to pay debt rather than to make investments.

Private Equity. While private equity investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies with a limited operating history, companies that do not prepare annual audited or reviewed financial statements, companies operating at a loss or with substantial variations in operating results from period to period, companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position, companies with limited internal and financial controls, and companies that rely on a key individual or small group of managers to operate the business. There generally will be little or no publicly available information regarding the status and prospects of these companies. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Portfolio Investments may be disposed of through merger and acquisition transactions rather than initial public offerings. The receptiveness of potential acquirers to the portfolio companies will vary over time and, even if a portfolio company is disposed of pursuant to a sale, merger, consolidation or similar transaction, any stock, security, or other interest in a surviving entity that is received by a Fund in that transaction may not be marketable. An otherwise successful portfolio company may yield poor investment returns if it is unable to be sold or otherwise disposed of at the proper time. There can be no guarantee that any investment will result in a liquidity event through a merger, acquisition, public offering or otherwise, and there is a significant risk that some or all of a Fund's investments will yield little or no return.

Investments in Distressed Securities and Restructurings. A Fund may make investments in restructurings that involve companies that are experiencing or are expected to experience severe financial difficulties. These financial difficulties may never be overcome and may lead to uncertain outcomes, including causing a company to become subject to bankruptcy proceedings. Investments in a financially troubled company could, in certain circumstances, subject the applicable Fund to additional liabilities that may exceed the value of such Fund's original investment in the company. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Funds or distributions by the Funds to their investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

Uncertainty of Financial Projections. As part of its due diligence of a potential investment, Gallatin may recommend investment by a Fund on the basis of the company's financial projections. Projected operating results normally will be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have

a material adverse impact on the reliability of such projections and the performance of any investment in such company.

Investments in Subordinated Debt. Certain Fund investments may consist of loans or securities, or interests in pools of securities that are subordinated or may be subordinated in right of payment and ranked junior to other securities issued by, or loans made to, obligors. If an obligor experiences financial difficulty, holders of its more senior securities will be entitled to payments in priority to the Funds. Some of the Funds' possible asset-backed investments also may have structural features that divert payments of interest and/or principal to more senior classes of loans or securities backed by the same assets when loss rates or delinquency exceeds certain levels. This may interrupt the income the Funds receive from such investments, which may lead to the Funds having less income to distribute to their investors. If the obligors are highly leveraged or the Funds invest in securities that are unrated or rated below investment grade, such investments are subject to additional risks, including an increased risk of default during periods of economic downturn, the possibility that the obligor may not be able to meet its debt payments, and limited secondary market support, among other risks.

Investments in Equity Securities. Certain Funds may hold investments in equity securities and equity-related security derivatives. The Funds may choose to short the equity of an issuer when another technique is not available, most notably a bond or some other derivative. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if they invest in equity instruments of issuers whose performance diverges from expectations or if equity markets generally move in a single direction and the Funds have not hedged against such a general move. The Funds also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of private placements, registering restricted securities for public resale. In addition, equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments.

High Yield Securities. Certain Funds may invest in high-yield securities. Such securities are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, a Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to make timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities that react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could severely disrupt the market for such instruments and may have an adverse impact on the value of such instruments. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such instruments.

Structured Investments. A Fund may at times invest in structured investments. A structured investment is a security having a return tied to an underlying index or other security or asset class. Structured securities are typically sold in private placement transactions, and there currently is no active trading market for structured securities. These instruments may involve special risks, including the fact that they may be subordinated to the right of payment of another class of securities, and the risks discussed in "Hybrid Instruments" below.

Hybrid Instruments. These instruments are generally considered derivatives and include indexed or structured securities and combine the elements of futures contracts or options with those of debt, preferred equity, or a depository instrument. A hybrid instrument may be a debt security, preferred stock, warrant, convertible security, certificate of deposit or other evidence of indebtedness on which a portion of or all interest payments, and/or the principal or stated amount payable at maturity, redemption or retirement is determined by reference to prices, changes in prices, or differences between prices, of securities, currencies, intangibles, goods, articles or commodities, or by another objective index, economic factor or other measure, including interest rates, currency exchange rates, or commodities or securities indices. The risks of investing in hybrid instruments reflect a combination of the risks of investing in securities, options, futures, and currencies. Hybrid instruments may be highly volatile and their use by a Fund may not be successful.

Different Investments in Same Company. Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring, may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Gallatin in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Gallatin expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

Interest Rate Risk. Changes in interest rates can affect the value of a Fund's investments in fixed income instruments. Increases in interest rates may cause the value of a Fund's investments to decline. Certain Funds may experience increased interest rate risk to the extent they invest, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero-coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

Portfolio Investment Ratings. Investments in the debt of companies include commercial loans, high-yield corporate or other debt obligations of both US and non-US obligors rated below investment grade and other investment instruments, which have greater credit and liquidity risk than more highly rated obligations.

Downgrades and negative rating actions may occur with respect to the investments, and, in such case, there is no requirement to sell any such investment. Investments with lower ratings will have greater credit, insolvency, and liquidity risk than more highly rated obligations and, therefore, a greater risk of loss. In addition to credit and liquidity risk, lower-rated obligations have greater volatility than more highly rated obligations. Future periods of uncertainty in the United States economy may increase volatility and default rates.

Risks Applicable to Insurance Company Investments. Investments in insurance companies are subject to significant risks relating to the matching of assets and liability characteristics such as interest rate duration and weighted average life and to credit risk. If assumptions relating to these characteristics prove to be incorrect and an insurance company's assets and liabilities are not appropriately matched, such insurance company's financial condition could be adversely affected, which may have resulting economic and regulatory implications for a Fund, and/or Gallatin. Furthermore, insurance company portfolios tend to have

a significant amount of interest rate-sensitive instruments. Interest rates are highly sensitive to many factors, including governmental monetary policies and domestic and international economic and political conditions and other factors beyond Gallatin's control. Because of the unpredictable nature of losses that may arise under insurance liabilities, liquidity needs could be substantial and may increase at any time. Changes in interest rates could have an adverse effect on the value of an insurance company investment portfolio and future investment income. For example, changes in interest rates could expose a Fund to prepayment risks on mortgage-backed securities. Increases in interest rates will generally decrease the value of investments in fixed-income securities. If increases in interest rates occur during periods when a Fund is required to sell investments to satisfy liquidity needs, such Fund may experience investment losses. If interest rates decline, reinvested funds will earn less than expected.

Insurance company investments are also exposed to significant credit risk on fixed income securities, including investments in investment grade and high-yield bonds. Issuers or guarantors of such fixed income securities may default on principal or interest payments owed, or the underlying collateral may default on such payments, causing an adverse change in cash flows. An economic downturn affecting the issuers or underlying collateral of these securities, a ratings downgrade affecting the issuers of such securities, or similar trends and issues could cause default rates of the fixed income securities in these portfolios to increase resulting in losses to shareholders of such insurance companies.

Risks Applicable to Financial Technology Investments. A Fund may make investments in financial technology ("FinTech") companies. Such companies may have limited product lines, markets, financial resources or personnel. The FinTech industry is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, services and/or improvements in existing products. Additionally, many FinTech activities in North America and certain countries in Europe are regulated with varying levels of requirements that often are subject to inconsistent judicial interpretations. These requirements include consumer protections (such as disclosure requirements and usury), licensing (such as non-bank lending, money transmission and debt collection) and supervision (in particular banking and insurance). A Fund's portfolio companies in this industry will compete in this volatile and highly competitive environment. There is no assurance that products or services sold by these portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that these portfolio companies will not be adversely affected by other challenges, including the changing regulatory environment. Instability, fluctuations or an overall decline within the technology industry may not be offset by increases in other industries not so affected. FinTech oriented companies are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

Cyber-Security Risk. Investment advisers, including Gallatin, increasingly rely on information and technology systems to conduct their business. Such systems might in some circumstances be subject to cybersecurity incidents or similar events that could potentially result in damage or interruption to these systems, unauthorized access to sensitive transactional and personal information, intentional misappropriation, corruption or destruction of data, or operational disruption. Despite reasonable precautions, cybersecurity incidents could potentially occur, and might in some circumstances result in the failure to maintain the security, confidentiality, or privacy of sensitive data. Cybersecurity incidents experienced by third party vendors or service providers may indirectly affect the Funds. Cybersecurity risks can disrupt the ability to engage in transactional business, cause direct financial loss and affect the value of assets in which the Funds invest, harm Gallatin's reputation, lead to violations of applicable laws, result in ongoing prevention, risk management and compliance costs, and otherwise affect business and financial performance.

Environmental, Social and Governance ("ESG") Matters. Gallatin maintains a Responsible Investment policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy

and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is subjective by nature, and Gallatin expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by Gallatin, or any judgment exercised by Gallatin, will reflect the beliefs, values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. In addition, Gallatin's Responsible Investment Policy and associated ESG practices are expected to evolve over time. Although Gallatin views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, Gallatin cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund. For avoidance of doubt, however, Gallatin does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

The materiality of ESG factors depends on many factors, including the relevant industry, location, asset class, and investment strategy. ESG factors, issues, and considerations do not apply in every instance and will vary by Fund and investment. In addition, in evaluating an investment, Gallatin 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 Gallatin to incorrectly assess a company's ESG practices and/or related risks and opportunities. Gallatin does not intend independently to verify all ESG information reported by investments or third parties.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers. Gallatin'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 how asset managers identify and manage financially material ESG risks, as well as how they define and measure ESG performance. At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted "anti-ESG" policies, legislation, or initiatives or issued related legal opinions. Gallatin and its Responsible Investment Policy and associated ESG practices could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and Gallatin cannot guarantee that its current approach will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements is expected to lead to increased management burdens and costs.

Reliance on General Partner or Manager and Management Teams. The investors in a Fund will have no right or power to participate in the management of a Fund or to make investment decisions and thus must depend solely upon the ability of the general partner or manager of a Fund and Gallatin to identify and consummate suitable investments and to dispose of investments of a Fund at a profit. The loss of the services of one or more of the partners (or similar) of the general partner or manager of a Fund and/or Gallatin could have an adverse impact on a Fund's ability to realize its investment objectives. There can be no assurance that each employee will continue to be associated with a Fund throughout its anticipated term. Although the general partner or manager of a Fund will monitor the performance of each investment, each portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team. Although the general partner or manager of a Fund intends to invest in companies operated by strong management, there can be no assurance that any portfolio company's existing management team, or any successor, will be able to successfully operate such portfolio company.

Recycling/Reinvestment. Under certain circumstances and subject to certain conditions, proceeds from the partial or complete liquidation of any investment that constitute a return of capital contributions may be retained and reinvested by the applicable general partner of a Fund. Accordingly, an investor may be required to fund for portfolio investments an aggregate amount in excess of its committed capital during

the term of a Fund, and to the extent such recalled or retained amounts are reinvested in portfolio investments, an investor will remain subject to investment and other risks associated with such portfolio investments.

Dilution from Follow-In Investments. Following its initial investment in a portfolio company, a Fund may decide to provide additional needed funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient capital to make all or any of such investments and the amount of any follow-on investments after such Fund's investment period is subject to limitations in the limited partnership or limited liability company agreements. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment or may result in a lost opportunity for the applicable Fund to increase its participation in a successful portfolio company. In the event a Fund does not participate in a follow-on investment opportunity and other investors provide the requested financing, the applicable Fund's investment in the portfolio company will likely be substantially diluted.

Secondaries and other GP-Led Transactions. There continues to be a significant market in the private fund sector for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Gallatin believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets. However, certain of such transactions are expected to require a limited partner to invest additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio company, and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed, effectively diluting their interests. Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Gallatin or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Gallatin or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Gallatin and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. Further, Gallatin is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Gallatin will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment in a portfolio company, a Fund may in the future be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. It also may be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. Arrangements which result in contingent liabilities shall be borne by the applicable Fund.

Control-Person Liability. A Fund may have controlling interests in some of its portfolio companies. The exercise of such control may impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws), or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, a Fund might suffer a significant loss.

Director Liability. A Fund typically will have the right to appoint one or more representatives to the boards of directors (or comparable governing bodies) of portfolio companies. Serving on such boards will expose such Fund's representatives, and ultimately such Fund, to potential liability. Although portfolio companies often purchase insurance to protect directors and officers from such liability, certain portfolio companies may not obtain such insurance and there can be no assurance that such insurance will prove sufficient even if obtained. In addition, representation of the Fund on a portfolio company's board of directors may also have the effect of impairing the ability of such Fund to sell its securities in that portfolio company at such times and upon such terms as it might otherwise desire. If a Fund is a significant shareholder with board representation, such Fund could be subject to legal claims it would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities law claims and other board-related claims. A Fund may indemnify such representatives for claims arising from such board representation, subject to limited exceptions in the applicable limited partnership or limited liability company agreements.

Third Party Litigation Costs. A Fund's investment activities subject it to the risk of becoming involved in litigation by third parties with respect to a portfolio company. This risk is somewhat greater if the Fund exercises control of, or significant influence on, a portfolio company's business operations. To the extent not covered by insurance, the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would, absent certain conduct by the employees of the applicable general partner or manager of such Fund or Gallatin, be borne by the Fund, would reduce its net assets and could require investors to return to the Fund capital and earnings previously distributed by the Fund. Gallatin, the applicable general partner or manager of the Fund and other related parties are entitled to indemnification by the Fund in connection with such litigation, subject to limited exceptions in the limited partnership or limited liability company agreements.

Indemnification. A Fund may be required to indemnify the general partner or manager of a Fund, certain employees, their respective affiliates, and certain other "covered persons" for liabilities incurred in connection with the affairs of a Fund and as otherwise provided in the applicable limited partnership or limited liability company agreement. Such liabilities can be material and have an adverse effect on the returns to the investors. The indemnification obligation of a Fund would be payable from the assets of a Fund, including the unpaid capital commitments of the investors (or the return of distributions as described in the applicable Fund limited partnership or limited liability company agreement).

Although a Fund's governing documents generally contain broad exculpation and indemnification provisions, Gallatin will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by Gallatin are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverage is expected to vary from relevant liability and/or indemnity standards set forth in a Fund's governing documents. Investors generally will be responsible for insurance premiums, as set forth in the related governing documents, regardless of whether the liability and/or indemnity standards in Gallatin's insurance coverage are higher or lower than that set forth in such governing documents.

Excuse from Fund Liabilities. Certain investors in a Fund may be prohibited or excused from directly or indirectly indemnifying third parties in certain circumstances. For example, US state pension plans and

other government plans may be prohibited by statute from entering into indemnification agreements where they would be obligated to indemnify against losses caused by particular events or circumstances or may be prohibited from entering into indemnification agreements that are not subject to a cap on liability. If a Fund incurs an indemnification obligation and an investor is prohibited or excused from satisfying all or a portion of its share of such obligation, then the other investors may bear a greater percentage of the costs of such obligation and/or be required to make additional capital contributions to replace such shortfall. Further, the applicable general partner or manager of the Fund may be required to sell assets in order to satisfy such Fund's indemnification obligation.

Minority Investments; Investments with Third Parties. A Fund may invest in minority positions of companies and in companies for which a Fund has no right to appoint a director or otherwise exert significant influence or protect its position. A Fund may also co-invest with third parties, thereby acquiring non-controlling interests in certain investments. In such cases, the Fund will be reliant on the existing management and boards of directors of such companies, which may include representation of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund, and such third-party co-investors, and such investments may involve risks not present in investments where the Fund holds a majority position, or a third party is not involved.

Return of Distribution. An investor in a Fund that receives a distribution in violation of certain applicable laws, rules, or regulations, will, under certain circumstances, be obligated to recontribute such distribution to such Fund. The applicable limited partnership or limited liability company agreement may also require investors in a Fund to return to the applicable Fund distributions they previously received that represent a return to investors of their capital contributions and amounts necessary to satisfy claims against the applicable Fund, subject to certain limitations.

Tax Implications. An investment in a Fund involves a number of complex tax considerations and no assurance can be given regarding the actual level of taxation that may be imposed upon a Fund, its investments, or its investors with respect to their investments in a Fund. Based on the character of its income and the documentation provided by the investor, the Fund may be required to withhold on US-sourced income and/or related distributions.

Breaches of Confidentiality; Freedom of Information Disclosure. Although the investors in a Fund are subject to confidentiality provisions, confidential information relating to a Fund, its portfolio companies and other investors may be inadvertently or intentionally disclosed, causing harm to such persons. Further, under "freedom of information" and similar laws, certain investors in a Fund may be required by law to disclose publicly information about the Fund and its portfolio companies. Such disclosure could have a material adverse effect on the applicable Fund, its portfolio companies, and/or other investors, including causing competitive harm.

Failure to Make Capital Contributions. If an investor fails to pay, or is excused or excluded from paying, installments of its capital commitment or other amounts owed to a Fund, such Fund may be unable to pay its obligations when due. As a result, the applicable Fund may not be able to close transactions or pay its creditors, and may otherwise be subjected to significant penalties, damages and other negative consequences that could materially adversely affect the returns to the investors. In addition, if an investor defaults, it may be subject to various remedies as provided in the applicable Fund's limited partnership or limited liability company agreement, including without limitation, reductions in its capital account balance and forfeiture of a portion of its interest.

No Independent Counsel. One law firm represents the Funds, the Fund's general partners or managers, Gallatin, and their respective affiliates. Gallatin's outside counsel does not represent any of the investors in a Fund in their capacities as investors in the Fund.

Receipt of Material, Non-Public Information. By reason of their responsibilities in connection with a Fund and other activities, personnel of Gallatin or a general partner or manager of a Fund may acquire confidential, or material non-public information relating to portfolio companies or may be restricted from initiating transactions in certain securities. A Fund may not be free to act upon any such information. Due to restrictions with respect to publicly traded securities, a Fund may not be able to initiate a transaction in the securities of a company that it otherwise might have initiated and may not be able to sell an investment in a company that it otherwise might have sold if personnel of Gallatin or a Fund's general partner or manager have access to material non-public information relating to such company.

Investments in Public Companies. A Fund may invest in public companies (subject to restrictions set forth in relevant governing documents) and may also take private formerly public portfolio companies or hold public securities following an initial public offering of a portfolio company. Investments in public companies may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, movements in the relevant stock market and trends in the economy, greater volatility in the valuation of such companies, increased obligation to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities at certain times (including due to the possession of material nonpublic information), increased likelihood of shareholder litigation against such companies' board members, which may include Gallatin personnel, regulatory action by the SEC and increased costs associated with each of the aforementioned risks.

Investment in Junior Securities. Although an equity fund expects to invest principally in senior equity and equity-related securities, the securities in which an equity fund will invest may be among the most junior in a portfolio company's overall capital structure and, thus, subject to the greatest risk of loss.

Annual Income Tax Information. Investors of a Fund may be required to obtain extensions for filing US federal, state, and local income tax returns. Each investor will be furnished information on a Schedule K-1 for preparation of such investor's individual US federal income tax return.

Tax Liabilities in Excess of Cash Distributions. Due to potential timing differences between income recognition for tax purposes and actual cash distributions by a Fund, an Investor may incur income tax liabilities in excess of actual cash distributions made prior to the date such liabilities arise or such taxes are due.

Investments in Pass-through Entities; Tax-Exempt Investors and UBTI. As more and more businesses are organized as limited companies, it is likely that a Fund's investment portfolio may include one or more entities treated as "pass-through entities" for federal income tax purposes. The Funds will use reasonable best efforts to avoid structuring such investment in a manner that would result in the recognition of unrelated business taxable income ("UBTI") or income effectively connected with a US trade or business if other investment structures are available that provide reasonably equivalent expected returns (e.g., by holding such an investment indirectly through a corporation), but it is possible that such investments could result in (a) the generation of taxable income for a Fund and its investors, even though they will not necessarily receive the cash flow related to such taxable income, (b) the generation of UBTI for tax-exempt investors, and (c) the treatment of the Funds (and therefore their investors, including investors that are domiciled outside the United States) as being engaged in the conduct of a US trade or business. Tax-exempt investors may recognize UBTI from a Fund for US federal income tax purposes and any such amounts of UBTI could be significant.

Investment in Emerging Markets. A Fund may invest in securities of companies based in, traded on an exchange in, or with substantial business in or issued by the governments of, emerging markets, including, but not limited to, certain central and eastern European countries. These securities involve risks and may be highly volatile and subject to significant market swings, due to the inexperience of financial

intermediaries, the lack of modern technology, the lack of a sufficient capital base to expand business operations, and the possibility of temporary or permanent termination of trading. Political and economic structures in many emerging markets may be undergoing significant evolution and rapid development, and emerging markets lack the social, political, and economic stability characteristics of more developed countries. As a result, the risks relating to investments in foreign securities described above, including the possibility of nationalization or expropriation, may be heightened. In addition, certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests. Such restrictions may affect the market price, liquidity and rights of securities that may be purchased by a Fund. Settlement mechanisms in emerging securities markets may be less efficient and less reliable than in more developed markets and placing securities with a custodian or broker-dealer in an emerging country may also present considerable risks. The small size of securities markets in such countries and the low volume of trading may result in a lack of liquidity and in substantially greater price volatility.

Small or Medium-Sized Companies. Investing in the securities of small or medium-sized companies can involve greater risk and the possibility of greater portfolio price volatility than is typically associated with equity investments in larger, more established issuers. Historically, stocks of small or medium-sized companies and recently organized companies have been more volatile in price than those of larger companies. Among the reasons for greater price volatility of the stocks of these smaller companies is the lower degree of liquidity in the markets for such stocks. Further, smaller companies and unseasoned companies may have limited product lines, markets, or financial resources, and they may depend upon a limited or less experienced management group. The securities of smaller companies may be traded only on the over-the-counter markets or on a regional securities exchange and may not be traded daily or in the volume typical of trading on a larger, more established securities exchange or trading platform.

Convertible Securities Risk. Convertible securities include corporate bonds, notes, preferred stocks, or debt-securities of issuers that can be converted into (that is, exchanged for) common stocks or other equity securities at a stated price or rate. Convertible securities also include other securities, such as warrants, that provide an opportunity for equity participation. Because convertible securities can be converted into equity securities, their value will normally vary in some proportion with those of the underlying equity securities. Due to the conversion feature, convertible securities generally yield less than non-convertible fixed income securities of similar credit quality and maturity. A Fund's investment in convertible securities may at times include securities that have a mandatory conversion feature, pursuant to which the securities convert automatically into common stock at a specified date and conversion ratio, or that are convertible at the option of the issuer. When conversion is not at the option of the holder, a Fund may be required to convert the security into the underlying common stock even at times when the value of the underlying common stock has declined substantially.

Participation Certificates Risks. The price, performance, liquidity, and value of a participation certificate are all linked directly to the underlying security, so that investing in a participation certificate subjects a Fund to the risks associated with an investment in the underlying equity security. Investing in a participation certificate also exposes a Fund to counterparty risk, which is the risk that the bank or broker-dealer that issues the certificate will not fulfill its contractual obligation to timely pay the Fund the amount owed under the certificate.

Warrants and Stock Purchase Rights. A Fund may participate in rights offerings and may purchase warrants, which are privileges issued by corporations enabling the owners to subscribe to and purchase a specified number of shares of the corporation at a specified price during a specified period of time. Subscription rights normally have a short life span to expiration. The purchase of rights or warrants involves the risk that a fund could lose the purchase value of a right or warrant if the right to subscribe to additional shares is not exercised prior to the rights and warrants' expiration. Also, the purchase of rights and/or warrants involves the risk that the effective price paid for the right and/or warrant added to the subscription

price of the related security may exceed the value of the subscribed security's market price such as when there is no movement in the level of the underlying security. Buying a warrant does not make the fund a shareholder of the underlying stock. The warrant holder has no voting or dividend rights with respect to the underlying stock. A warrant does not carry any right to assets of the issuer, and for this reason investment in warrants may be more speculative than other equity-based investments. Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted when dealing with off-exchange warrants, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

Real Estate Investment Trusts (REITs). A Fund may invest in shares of REITs, which are pooled investment vehicles that invest in real estate or real estate loans or interests. Investing in REITs involves risks similar to those associated with investing in equity securities of small capitalization companies. REITs are dependent upon management skills, are not diversified, and are subject to risks of project financing, default by borrowers, self-liquidation, and the possibilities of failing to qualify for the exemption from taxation on distributed amounts under the Internal Revenue *Code* of 1986, as amended.

Performance-Based Allocation. As the party receiving the carried interest, Gallatin receives compensation based upon the appreciation of the Fund's assets. This arrangement may create an incentive for Gallatin to recommend investments that are riskier or more speculative than would be the case if the allocation were not made.

Placement Agents. Gallatin may utilize the services of one or more "placement agents" or "finders", in connection with soliciting capital commitments to one or more of its Funds and has in the past utilized one or more placement agents. While the use of such service providers has always involved certain risks (e.g., greater securities law compliance burdens), placement agents and finders have been the subject of increased scrutiny and regulation, at least partially in response to a series of well-publicized "pay-to-play" scandals involving officials of public pension funds. In particular, the regulatory landscape concerning placement agents and finders is evolving rapidly and many new regulations are vague and difficult to interpret, with the result that compliance can be difficult to achieve or demonstrate. Any dispute or controversy regarding Gallatin's use of a placement agent or finder could have a disruptive effect, or impose costs and other burdens, upon the Funds.

Item 9. Disciplinary Information

Gallatin has no legal or disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Material Relationships or Arrangements with Industry Participants.

Gallatin forms affiliated general partners or managing members for each Fund or separate investment vehicles and other affiliates that provide advisory services to and/or receive fees advisory fees from the Funds. These affiliates are formed for tax, regulatory or other purposes in connection with the organization of the Funds.

As described in Item 4 above, Gallatin has entered into an arrangement with the Strategic Investor. In addition, Gallatin has contracted, and may from time-to-time contract, with the Strategic Investor to provide management, consulting or other business services to, or with respect to, the Funds or potential or current portfolio investments. When engaging the Strategic Investor to provide such services, Gallatin and its

employees may have or may be seen to have incentive to recommend the Strategic Investor even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

To address these actual and potential conflicts of interest, Gallatin has adopted policies and procedures to ensure that service providers, including those affiliated with the Strategic Investor, are not selected based on reasons unrelated to the best interests of its clients and instead are selected taking into account factors such as expertise, availability and quality of service and the competitiveness of compensation rates in comparison with other service providers satisfying the manager's service provider selection criteria. However, Gallatin's and its employees' relationships with the Strategic Investor could influence or be seen as influencing Gallatin's decision to select or recommend a service provider affiliated with the Strategic Investor to perform services for the Funds or their portfolio investments (the cost of which will generally be borne directly or indirectly by the fund or its portfolio investments, as applicable). Gallatin will also, in accordance with its policies and procedures, seek the approval of the relevant Fund Advisory Committee for transactions between the Strategic Investor and its affiliates on the one hand and the Fund(s) on the other.

The Funds enter into agreements, or "side letters," with certain prospective or existing investors whereby such investors are subject to terms and conditions that are more advantageous than those set out in the relevant Fund Documentation. The modifications are solely at the discretion of Gallatin and are often, among other things, based on the size of the investor's investment in a Fund, an agreement by an investor to maintain such investment in a Fund for a significant period of time, or other similar commitment by an investor to a Fund.

Gallatin previously entered into an arrangement with a global insurance and reinsurance company (the "**Insurance Investor**") whereby an investment vehicle established for the Insurance Investor (an "**Insurance Investor Fund**") will participate with one or more Strategic Investor Funds and the Gallatin Funds in certain investments in insurance-related businesses, products, or assets but not to the extent they are exclusively related to life insurance. The investment period of the Insurance Investor Fund has now ended. Gallatin may enter into similar arrangements with other strategic partners in the future.

Board Memberships

Gallatin's investment professionals serve as directors of other companies in the financial industry and often serve as directors of companies in which a Fund invests. As a director of a company, an investment professional also owes a fiduciary duty to the company. Board memberships may place an investment professional in a position where they must make a decision that is not in the best interests of a Fund. Investment professionals serving as directors may receive non-public information as a result of their duties and such knowledge may restrict a Fund's ability to buy or sell securities of the relevant company. Gallatin's investment professionals have in the past and are likely to continue to also sit on the boards of public companies. Gallatin does not expect the Funds to purchase the securities of public companies except as the result of a private company making an initial public offer.

Personal Interests in Other Businesses

Gallatin's investment professionals have interests in other businesses in the financial industry, including investments in other private investment vehicles; however, they do not expect to spend any significant time or resources in conducting such other businesses and Gallatin does not expect such interests to create a material conflict of interest. Gallatin will review each future request for participation in an outside business activity and determine whether a conflict exists and what, if any, policies, or procedures should be applied to mitigate the conflict.

In addition, Mr. Botein continues to hold passive investments in certain private equity funds managed by affiliates of the Strategic Investor and is entitled to receive carried interest distributions from certain funds managed by affiliates of the Strategic Investor in connection with his previous employment. The Strategic Investor also has referred and may from time to time refer investors to the manager. These ongoing business arrangements, as well as the business relationship the manager has built with the Strategic Investor, could present at least an appearance of a conflict of interest. To address these actual and potential conflicts of interest, Gallatin will, in accordance with its policies and procedures, seek the approval of the relevant Fund Advisory Committee for transactions between the Strategic Investor and its affiliates on the one hand and the Fund(s) on the other.

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

Code of Ethics

Gallatin has adopted a Code of Ethics in accordance with Rule 204A-1 under Advisers Act that is applicable to its managers and employees (collectively, “**Personnel**”). The Code of Ethics contains provisions that remind Personnel of their obligations to Gallatin’s clients and obligations to comply with federal securities laws, set forth standards of conduct, restrict certain personal securities trading and requires reporting of personal securities transactions and holdings. Personnel who violate the Code of Ethics may be subject to disciplinary or other action (including, without limitation, termination of employment). Personnel are required to acknowledge that he or she received, read, and understands the Code of Ethics. The Code of Ethics, among other benefits, helps Gallatin detect and prevent potential conflicts of interest.

The Code of Ethics is designed to prevent the personal securities transactions and interests of Personnel from interfering with (i) making decisions for Funds and (ii) implementing such decisions while, at the same time, allowing Personnel to invest for their own accounts where appropriate. The Code of Ethics restricts trading in the securities of any issuer included on Gallatin’s restricted list and requires preapproval before making a transaction in an initial public offering or limited offering. Under the Code of Ethics, Personnel are also required to file certain periodic reports consistent with Rule 204A-1 under the Act. Such reporting and review helps Gallatin detect and prevent potential conflicts of interest.

Gallatin will provide a copy of the Code of Ethics to any Client or prospective investor upon written request addressed to: ATTN: Chief Compliance Officer, Gallatin Point Capital LLC, 660 Steamboat Road, Greenwich, CT 06830; email info@gallatinpoint.com; or call 203-742-0200.

Participation or Interest in Client Transactions

Through the limited partnership structure, Gallatin’s affiliates have indirect beneficial interests in the securities owned by the Funds and will share in any profits and losses generated by Fund investments. Gallatin will always endeavor to act in the best interest of the Funds; however, investors should be aware that Gallatin’s and the general partner’s receipt of compensation from the Funds creates a potential conflict of interest with respect to such transactions. Gallatin employees are not permitted to co-invest directly into any portfolio company or other investment made by the Funds.

Conflicts of Interest

In the ordinary course of conducting its investment advisory activities, the interests of a Fund can conflict with the interests of Gallatin, other Funds, or their respective affiliates. Certain of these conflicts of interest, as well a summary of how Gallatin addresses such conflicts of interest, can be found below. Other conflicts are disclosed throughout this Brochure and applicable Fund Documents.

Resolution of Conflicts

In the case of all conflicts of interest, Gallatin's determination as to which factors are relevant, and the resolution of such conflicts, will be made using Gallatin's best judgment, but in its sole discretion. In resolving conflicts, Gallatin will consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Many important conflicts of interest will generally be disclosed in and resolved by defined procedures, restrictions or other provisions contained in the Fund Documents for the Funds. The Funds usually establish advisory committees, consisting of representatives of investors not affiliated with Gallatin, to evaluate conflicts and their resolutions.

Management of the Funds

Gallatin will be responsible for managing all of the Funds. Conflicts of interest arise in allocating time, services, or functions of Personnel. To mitigate such conflicts, the Fund Documents generally limit and describe when the manager can fundraise for a new fund.

Invested Capital Fee Structure

Because there is expected to be a fixed investment period after which capital from investors in the Funds will only be drawn down in limited circumstances and because Management Fees could, at certain times during the life of the Funds, be based upon capital invested by the Funds, such fee structure could create an incentive to deploy capital when Gallatin would not otherwise have done so.

Allocation of Investment Opportunities Among Funds

Each opportunity that will be recommended to a Fund will first be offered to the Strategic Investor, who will be permitted to invest up to a certain percentage of the available investment. After the Strategic Investor determines whether to invest and in what amounts, Gallatin, on behalf of the Funds, will determine the amount of Fund investment or investments.

Following the Strategic Investor's option and decision to invest, investment opportunities may be available to more than a single Fund and may be appropriate investments for one or more other Funds. Gallatin seeks to reduce the risk of any inequitable allocation of investment opportunities by formulating investment allocation and sharing guidelines. However, Gallatin cannot anticipate all possible investment structures required during the life of a Fund and certain investment structures are not contemplated in Fund Documents. In such cases, Gallatin seeks to allocate such opportunities on an equitable basis using its best judgment and in its sole discretion. Nonetheless, except as required by relevant Fund Documents, Gallatin is not obligated to recommend any investment to any particular investment vehicle. Notwithstanding the foregoing, Gallatin does not anticipate that the income strategy Funds and equity strategy Funds will compete for investments, given their differing target return expectations.

Follow-on Investments

A follow-on investment in an existing portfolio company could present a conflict of interest, such as with respect to a determination of terms or the allocation of the investment opportunity to different Funds (for example when the Fund Documents of a Fund would not permit such follow-on investment). A Fund is expected to from time-to-time participate in leveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or

purchasing securities with terms that are more or less favorable than the prevailing market terms. To the extent that these conflicts arise, Gallatin will seek to mitigate them by taking all steps it deems reasonable, including but not necessarily limited to seeking the approval of the Advisory Committee of the appropriate Fund or Funds.

Portfolio Valuation

Valuation represents a conflict of interest for investment advisers. The exercise of discretion in valuation by Gallatin gives rise to conflicts of interest, as fees and carried interest in certain Funds are calculated based, in part, on these valuations and such valuations affect performance return calculations. Valuations are inherently subjective as there is no public exchange for a Fund's underlying assets or for the trading of limited partnership interests in the Funds themselves. The process of valuing assets for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such assets and may differ from the prices at which such assets are ultimately sold. Gallatin cannot fully mitigate the conflicts and risks inherent in the valuation process but manages these conflicts and risks through its investment process and compliance program.

In the absence of a perpetual market for such interests, Gallatin determines a value for each underlying portfolio company based on the periodic application of its internal valuation policies and methodologies. As a fiduciary to the Funds and investors, Gallatin has adopted formal valuation policies and procedures designed such that portfolio holdings reflect current, fair, and accurate asset valuations. Valuation policy attributes include but are not limited to: (a) written valuation procedures; (b) periodic reviews of portfolio valuations carried out by Gallatin's investment team; (c) Advisory Committee participation in valuation processes as required by a Fund's governing documents; and (d) external auditor review of written valuation policies and records prior to issuance of annual Fund financial statements.

Cross Transactions

One or more of the Funds may engage or may in the future engage in activities that are considered internal cross-trading transactions. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or Gallatin might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund. To address these conflicts of interest, Gallatin maintains policies and procedures regarding the disclosure and best execution requirements for such transactions.

Principal Transactions

If a Fund enters into a principal transaction, it will only do so in accordance with all of the requirements of the Advisers Act and will obtain the required prior consent to the transaction from the relevant funds.

Allocation of Co-investment Opportunities

From time to time, Gallatin offers to investors in the Funds or other unrelated third parties the ability to co-invest in an investment alongside a Fund and potentially the Strategic Investor. Co-investment opportunities arise due to the size of an investment opportunity or desire for a co-investor based on strategic considerations including, but not limited to, relevant knowledge of an industry, geographic region or contacts with prospective managers, board members or advisors. Gallatin considers whether offering a co-investment would pose a conflict with the Funds before making any investment available to such potential co-investors. Gallatin is authorized to offer co-investment opportunities to any potential investor in its sole discretion and is not required to offer the opportunities to investors in the Funds.

In the event Gallatin determines to offer a co-investment investment opportunity, there can be no assurance that Gallatin will be successful in offering such co-investment opportunity, in whole or in part, that the closing of such co-investment will be consummated in a timely manner or that the co-investment will take place on the terms and conditions that will be preferable for the Fund. In the event that Gallatin is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration than was initially intended, experience delays in the investment process, and/or lose, or cause the Fund to renegotiate, the investment opportunity, each of which could result in less favorable terms or economics for the Fund.

Due in part to the fact that investors and potential investors in a Fund or a co-investor ask different questions and request different information (for example, within side letters), Gallatin provides certain information to one or more prospective investors that it has not provided to all of the investors or prospective investors.

Business with Portfolio Companies and Investors

Given the collaborative nature of Gallatin's expected business and the portfolio companies in which the Funds will invest, there are situations in which Gallatin is in the position of recommending portfolio company services to other portfolio companies within the same Fund or other Funds. Gallatin would have a conflict of interest in making such recommendations, in that Gallatin has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the applicable Funds and its portfolio companies receiving the service.

In certain instances, a Fund's portfolio company may compete with another Fund's portfolio company. A conflict of interest would arise in these instances because advice and recommendations provided by Gallatin to a portfolio company may have adverse consequences to a competitor portfolio company owned by another Fund.

Side Letter Agreements

In addition to the arrangement with the Strategic Investor, Gallatin enters into certain side letter arrangements with certain investors in a Fund which provide, in certain cases, such investors with different or preferential rights or terms, including but not limited to information rights, acknowledgement that an investor is interested in co-investments (such acknowledgement does not provide an investor with any specific co-investment rights or preferences), internal transfer rights (such as an agreement to make internal investor restructurings less burdensome for such investor), and potentially a different fee structure, where specifically permitted by and disclosed in Fund Documents.

Advisory Committees

Each Fund usually establishes an Advisory Committee consisting of representatives of investors. A conflict of interest exists if only certain and not all investors who expressed interest in becoming a member of a Fund advisory committee are nominated. An advisory committee authorized to approve conflicts of interests with respect to Gallatin and the applicable Fund could be disadvantageous to investors, including those investors who expressed interest in becoming a member of the advisory committee but were not nominated.

Typically, under a Fund's governing documents, certain transactions that involve conflicts of interest between Gallatin and the Fund will be, when necessary, submitted to the Advisory Committee for its review and approval. However, the Advisory Committee will not necessarily represent the interests of all investors,

while the members of the Advisory Committee may themselves be subject to various conflicts of interest (including as investors in other entities affiliated with Gallatin or its affiliates). In general, investors will not be entitled to control the selection of Advisory Committee members or to review the actions or deliberations of the Advisory Committee.

Diverse Investors

Individual investors may have conflicting investment, tax, and other interests with respect to their investments in a Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring or the acquisition of investments and the timing of dispositions of investments. As a result, conflicts of interest may arise in connection with the decisions made by Gallatin, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to the investors' individual tax situations.

Other Potential Conflicts

Gallatin and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Funds may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, Gallatin and/or its affiliates, the parties may engage separate counsel and in litigation and other circumstances separate representation may be required.

Item 12. Brokerage Practices

Gallatin may engage broker-dealers in the normal course to effect transactions in publicly traded securities but does not expect such transactions to occur in the normal course because each Fund will generally make privately negotiated purchases of interests in businesses. Relative to the purchase and sale of certain portfolio companies however, in certain cases, Gallatin will engage a broker or dealer to ensure that a private transaction is closed in a manner most advantageous to participating vehicles. When executing portfolio transactions using brokers or dealers, Gallatin seeks the best overall execution terms available to close the deal expeditiously and on terms most favorable to the participating vehicles.

Gallatin will, when appropriate, engage in certain hedging transactions and, in some cases, use broker-dealers as necessary to sell a Fund's publicly traded securities consistent with an exit strategy as a result of an initial public offering. Gallatin will select brokers based on a number of factors, including, but not limited to, the size and type of transaction, the markets for securities to be purchased or sold, execution, efficiency, settlement capability, financial condition of the broker-dealer, the quality of the broker-dealer's portfolio execution on a continuing basis and reasonableness of brokerage commissions.

Gallatin will always attempt to achieve the best overall price for the Funds, considering the circumstances of the transaction and the reputability of the executing broker-dealer and will evaluate each transaction to ensure that the execution price is in line with, or exceeds, that of the current market. The lowest possible commission cost is not necessarily sought if it does not result in the best quality execution of transactions effected for the Funds.

A "soft dollar" arrangement is an arrangement whereby an investment adviser directs client brokerage, or pays higher commissions, to a particular broker-dealer in return for research or other services from such broker-dealer. Gallatin may in the future enter into soft dollar arrangements but does not do so at this time. Gallatin may also receive proprietary research and certain other limited benefits from broker-dealers as an

incident of doing business with such broker-dealers where it does not involve the payment of soft dollars. Gallatin does not expect to enter into directed brokerage arrangements or recommend a broker-dealer to anyone.

Item 13. Review of Accounts

Oversight and Monitoring

After an investment is made by a Fund, Gallatin will continuously monitor the investment for the Fund. Gallatin enters into investments with the expectation of being a significant and active investor. Gallatin generally holds a board seat for the investment or serves as a board observer if precluded from being a board member. In addition, all Funds will be reviewed on an ongoing basis in seeking exit opportunities.

Reporting

Investors in the Funds will receive audited financial statements for the year within 120 days after the fiscal year end. Investors in the Funds also receive periodic reports pursuant to the terms of the relevant Fund Documentation. Gallatin will from time-to-time, in its sole discretion, provide additional information relating to a Fund to one or more investors in such Fund as it deems appropriate or upon request.

Item 14. Client Referrals and Other Compensation

As stated above, Gallatin may engage one or more placement agents or finders in connection with the placement of limited partner interests and has in the past utilized one or more such placement agents. Gallatin enters into a legal agreement with any placement agent it retains. Such agreement includes the requirement that the placement agent abide by federal securities statutes in discharging activities on behalf of Gallatin. In accordance with the terms of the relevant Fund's governing documents, any such placement agent fees will ultimately be payable by Gallatin and/or its affiliated entities, either directly or through an offset of the advisory fee payable by the relevant Fund to Gallatin. A Fund investor will not bear any additional charges because of an introduction through a placement agent or other unaffiliated third party.

Although common, such referral arrangements do create a potential conflict of interest because, in theory, the referrer is motivated, at least partially, by financial gain and not because a Fund is suitable to the prospective investor's needs. To address this potential conflict of interest, all referred investors are carefully screened to ensure that the Fund is suitable to the prospective investor's investment needs, objectives and risk tolerance before any subscription is accepted.

Item 15. Custody

Each Fund (and each separate investment vehicle where applicable) is audited at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Audited financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). Each Fund (and each separate investment vehicle where applicable) distributes its audited financial statements on an annual basis to all investors no later than 120 days after the end of the applicable Fund's fiscal year end.

Upon the final liquidation of a Fund or separate investment vehicle, Gallatin will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all investors promptly after completion of the audit.

Gallatin does not have custody of assets of institutional clients for which it provides non-discretionary investment advice.

Item 16. Investment Discretion

Gallatin provides investment advisory services on a discretionary basis to the Funds. Gallatin's advice with respect to the Funds is provided in accordance with the investment objectives, limitations, and guidelines as set out in the relevant Fund Documentation. Prior to assuming discretion in managing a Fund's assets, Gallatin enters into an investment management agreement or other agreement that sets out the scope of Gallatin's discretion. Gallatin generally has the authority to determine the securities to be purchased and sold for the Fund and the amount of securities to be purchased or sold for the Fund. Where Gallatin manages assets on a non-discretionary basis for institutional clients (other than the Funds), each such client will determine in its sole discretion whether to participate in an investment opportunity, and the terms under which such participation will occur.

Item 17. Voting Client Securities

The Funds are active investors in their respective portfolio companies. Gallatin often designates a representative at the board of directors of the portfolio company. It is expected for these representatives to potentially remain on the board for a period of time if the portfolio company were to go public. In addition, the Funds stay closely involved with the investments as shareholders. Gallatin reviews and votes on proxy and shareholder consent matters on a case-by-case basis. Gallatin stays apprised of developments that affect a portfolio company in which a Fund invests, carefully reviews matters submitted to the Funds for a vote as holders of portfolio company securities and votes on those matters on a case-by-case basis in a manner that Gallatin believes is in the best interests of the applicable Fund.

Investors may obtain information about how a proxy was voted and/or obtain a copy of the proxy voting policies and procedures upon written request to: ATTN: Chief Compliance Officer, Gallatin Point Capital LLC, 660 Steamboat Road, Greenwich, CT 06830; email info@gallatinpoint.com; or call 203-742-0200.

Item 18. Financial Information

Gallatin and its affiliate entities have no financial obligation that impairs their capacity to meet contractual and fiduciary commitments to clients, nor has Gallatin or its affiliate entities been the subject of a bankruptcy proceeding.